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ABSTRACT

This book is about education system reform in Central and Eastern Europe, with emphasis on decentralization and management. In the past, local authorities served as implementation arms of the central ministry, while finance and decision-making were controlled by the central government, leaving local communities with little influence. New education laws in most countries of the region have altered this balance. A moderate approach may be the least disruptive short-term solution for societies undergoing socioeconomic transition. In 1997 the World Bank Institute participated in a research project to study intergovernmental roles in the delivery of education services in the Czech Republic, Hungary, Poland, Albania, Bulgaria, and Romania. Each country assembled a research team of academics, educators, and policy advisors led by an education specialist. Each team produced a report, which was discussed and revised during four information-sharing seminars, and they are presented here. The challenge these countries face is how to develop new institutions that can effectively enlist state, civil-society, and private-sector resources to achieve educational goals. This book should be of interest to educators and other readers interested in Central and Eastern European area studies. Its multidisciplinary methodology will also provide useful insights to development policymakers in other sectors. (RT)

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WBI LEARNING RESOURCES SERIES

Decentralizing Education in Transition Societies

Case Studies from Central and Eastern Europe

Edited by
Ariel Fiszbein

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Washington, D.C.

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At the time of writing, Ariel Fiszbein was a principal economist in the World Bank Institute Human Development division.

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Foreword

This book is about the reform of education systems in Central and Eastern Europe with particular emphasis on decentralization and management. Although the region's highly centralized systems are beginning to adopt more deconcentrated approaches, most key policy and planning decisions are still made at the center. In the past, local authorities served as implementation arms of the central ministry, while finance and decisionmaking were controlled by the central government, leaving local communities with little influence. New education laws in most countries of the region have altered this balance, albeit not as thoroughly as some reformers would like. Because some of these societies are deeply into the process of socioeconomic transition, a moderate approach may well be the least disruptive short-term solution; but ministries of education will clearly need to continue the decentralization process in those areas they deem to be most appropriate.

To help address these issues, in 1997 the World Bank Institute participated in a research project to study intergovernmental roles in the delivery of education services. It examined six Central and Eastern European countries: three new members of the OECD—Czech Republic, Hungary, and Poland; and three other countries of the region—Albania, Bulgaria, and Romania. Each country put together a research team of academics, educators, and policy advisors under the leadership of a highly experienced education specialist. Each team produced a country report, which was then discussed and revised during the course of four seminars. These seminars brought about a great deal of useful cross-fertilization among the country teams and with experts from various international agencies.

Decentralization per se is neither good nor bad. The challenge these countries are facing is how to develop new institutions that can effectively enlist the resources of the state, civil society, and the private sector to achieve educational goals. The cases in this book reflect six different national experiences, stages of development, models, and national attitudes.

This publication should be of interest to generalists as well as specialists, including educators and other readers interested in Central and Eastern European area studies. The book's multidisciplinary methodology will also provide useful insights to development policymakers in other sectors.

Vinod Thomas
Vice President
World Bank Institute

Preface

This book is the result of a collective learning process, which is responsible for both the strengths and weaknesses of this book. As the introductory chapter explains in detail, the country studies that constitute the core of the book were produced by national teams that worked in a coordinated manner for a period of approximately 18 months. Their tasks were particularly difficult because of the nature of the subject of analysis—education systems in the process of being reformed. In that sense, the teams were aiming at moving targets. The rules of the game that the teams were trying to disentangle were rapidly changing even as they conducted their work. From a practical point of view, this implied constant revisions and adjustments that, nonetheless, made the country studies no more than a photograph of the education systems in these countries—possibly outdated soon after completion. However, the value of the country assessments is not just in providing an up-to-date description of the education systems in six countries, but in the unusual attempt to look at the process of transformation these six countries are undergoing with a critical eye and an acute sense of the importance of institutional factors in explaining the outcomes.

The book benefited from the contributions of many people:

- First, and above all, those members of the six country teams—the authors of the country studies—who brought to the enterprise their in-depth knowledge of ongoing reforms in education systems as well as their deep commitment to contributing to the success of those reforms.

- Second, the many colleagues who helped design and implement this learning program. I would particularly like to mention Christine Allison who was instrumental in conceptualizing the initiative and who mentored and supported me throughout it. Yael Duthilleul and Ernesto Cuadra always found time in their busy schedules to help me and, more important, became important resources to several of the country teams. Ian Whitman, a key partner in the implementation of the learning program, offered valuable and objective advice.

- Third, the very effective help of Deborah Glassman, who edited the original country reports; Nita Congress, who edited the book; and Karen Hotra, who coordinated the book's production.

1. Overview

Ariel Fiszbein

I. Introduction

Since the end of the Communist regimes, most countries in Central and Eastern Europe have begun a process of state reform that has included a redefinition of the roles of different levels of government. The education sector has been no exception. To different degrees and following various approaches, most countries in the region have started to decentralize responsibilities for the provision of education services to lower levels of government and agents of the state. These processes imply more than simple formalities. They involve changes, sometimes profound, in the rules of the game that influence the conditions under which new generations of citizens will be educated. In other words, new institutions are being created that will have a long-lasting effect on the region's development prospects (Gibson and Hanson 1996).

When such important issues are discussed, there is a tendency to seek simple answers to such questions as "Is decentralization good or bad?" or "Who should be responsible for different functions?" Reality, however, is rather complex and—at least for the time being—does not offer simple responses. Furthermore, a process of decentralization is seldom driven by purely educational goals but rather is part of broader processes of state reform motivated by a combination of political and other factors (Bird and Vaillancourt 1998). Thus, there are potentially high returns to efforts seeking a better understanding of the alternative institutional forms being developed as a result of such reforms, particularly if the reforms focus on methodologies and concepts rather than on simplistic recipes.

This book synthesizes the lessons from one such effort. Starting in the fall of 1997, the World Bank Institute (then known as the Economic Development Institute) organized a learning program on Inter-Governmental Roles in the Delivery of Education Services in four countries: the Czech Republic, Hungary, Poland, and Romania. Bulgaria joined them in the spring of 1998. A similar approach was followed, starting in late 1998, by a team in Albania.

The program's objective was to help build analytical capacity to understand the ways that existing and future intergovernmental arrangements infringe on the effectiveness of service delivery in the education sector. Country teams, following a common methodology and a participatory approach, prepared country assessments—under the guidance and with the support of World Bank staff—of intergovernmental arrangements in the education sector. Each country report reviewed the roles being played by different actors in the system, analyzed the main contradictions emerging from those roles, and developed a set of proposals directed to resolving those contradictions. These reports, which constitute the main input for this book, provided the basis for a program of group learning under which the teams from different countries exchanged views and learned from each other through a series of workshops and seminars.

The objective of this overview chapter is twofold. First, it introduces the concept of institutions and the methodology of institutional analysis used in this program, with specific examples for the education sector. It also discusses the group learning approach used. Second, it presents a preliminary assessment of substantive lessons regarding the implications for service delivery due to ongoing changes in the assignment of responsibilities across different levels and agents of the state. The accompanying country chapters provide a systematic and updated view of where the different countries in the region are in terms of reforming the governance structure in their education systems.

II. Concepts and Methodology

Institutions and Institutional Analysis

The terms "institutions" and "institutional analysis" are often used in very different ways, thus creating confusion. Perhaps a good way to start is by briefly describing the types of problems we had in mind and hoped to address through institutional analysis. The following three examples of situations in an imaginary country are partially inspired by the country studies and should help clarify the concepts.

1. In country X, the school-age population is declining due to demographic factors; this is particularly true in rural areas. Local governments are now responsible for managing schools. A key emerging question is who will be in charge of closing schools if the number of school-age children falls below a reasonable level. The central government has relinquished all authority, and there is no assignment of responsibility to the regional governments. Local governments are responsible, but the steps and procedures they should undertake in order to close a school and to arrange for its students to go to some other locality—a difficult and politically costly decision in any case—are unclear. As a result, a stalemate develops in which the cost effectiveness of the system suffers.

2. In country Y, the legislation has been changed to make school directors responsible for the day-to-day operation of the school. They are expected to be evaluated by local governments and by deconcentrated offices of the Ministry of Education. However, existing legislation makes it too difficult to fire anyone and to change work practices. Pay scales are determined outside the school and are not related to performance. The local government has no resources to offer bonuses. As a result, school directors are no more than caretakers.

3. In country Z, local authorities and school directors are being made responsible for assessing the performance of teachers and supporting and monitoring their professional development. However, the national pedagogic institute (which has offered teacher training programs for the last 40 years) continues to receive a budget from the Ministry of Education regardless of the number of teachers trained or the quality of the training. Local and school authorities are dissatisfied with the quality of the training offered but have no way to influence it. As a result, they do not free teachers to attend training.

There is a common denominator among these three examples: bad outcomes (low cost-effectiveness, passive school authorities, untrained teachers, and so forth) result from the behaviors and actions of several actors (teachers, directors, local authorities, ministry officials, and so forth). These behaviors and actions can be seen as reactions to incentives (not just financial) faced by actors who make decisions using the information and tools they have at their disposal. Incentives, it must be emphasized, come not only from formal/legal rules but also, often, from informal ones. In this context, intergovernmental roles matter because they influence the incentives people (local governments, teachers, school authorities, and so forth) face. The three examples are just the tip of the iceberg. A quick review of the country studies offers multiple examples of similar situations. The question we tried to address is how to look at these types of problems in a systematic fashion.

We were interested in understanding why the different actors in the system behave the way they do—thus, our focus on institutions. By institutions, we understand the set of rules that determine how actors behave or how they play the game (see North 1990); in this case, the game is delivering education services. Therefore, we need to focus not only on laws and regulations (the so-called formal rules of the game) but also on customs and attitudes (the informal rules).

When conducting an institutional analysis, rules must be assessed in terms of their impact on given goals or objectives. These are not always clear and explicit to the actors or even to the analysts, but they should surface as the analysis progresses. In our case, the traditional goals of efficiency, equity, and quality of education were the explicit objectives proposed from the beginning, but others such as contributing to the construction of a democratic culture—were

Table 1.1 Selected Functions by Level

	Level				
Function	Central	Regional	Local	School	External
1. Personnel (teachers, directors, nonteachers)					
1.1 Salaries					
1.2 Career path (recruitment, promotion, transfer, and so forth)					
1.3 Time and task management					
1.4 Training (preservice, in-service)					
1.5 Evaluation					
2. Curriculum					
2.1 Content and standards					
2.2 Development					
3. Textbooks, equipment, instructional materials					
3.1 Criteria and standards					
3.2 Production					
3.3 Procurement/distribution					
4. School infrastructure					
4.1 Planning (establishing, abolishing, networking)					
4.2 Construction					
4.3 Maintenance					
5. Student enrollment					
5.1 Regulations					
5.2 Selection criteria (student, school)					
6. Quality control					
6.1 Student assessment and monitoring					
6.2 School assessment and monitoring					
7. Financial administration and control					

Source: Author.

uncovered as we moved along in the program. The participatory nature of the exercise was critical in this regard. Teams were instrumental in redefining the objectives of the analysis.

Three steps were followed in the analysis. First, we focused on the key functions and main actors or stakeholders in the system (see table 1.1 for an example of the type of information collected by the teams). The goal of this step was to understand who was doing what (and who was supposed to do what). This is not as simple as it appears. Different actors in the system have different views of the assignment of responsibilities even at the formal level—let alone at the informal level. Completing this exercise with a multistakeholder team (as opposed to a team of consultants) is a very telling one. To determine who is doing what requires both a review of formal rules and an understanding of how functions are being carried out in reality.

The second step is where the analysis starts. We found it useful to focus on three types of problems (Hilton and Schroeder 1995). The first type of problem was an inadequate assignment of responsibilities. We had in mind situations in which there was an overlap of responsibilities between different actors, a gap in the definition of responsibilities, or a lack of clarity—all of which lead to confusion and bad outcomes. Example 1 cited earlier falls in this category. The definition of who should make the decision to close a school and the steps that have to be taken in order to do so were incomplete.

The second type of problem was a mismatch between responsibilities and authorities. We had in mind situations in which those responsible lacked the means to carry them out, whether because they lacked the power to enforce, resources to implement, or inputs to make decisions. This is a very common source of problems in many situations characterized as decentralization. Actors are given responsibilities but no real power. Example 2 falls in this category. School directors were given the responsibility of managing schools but no real authority to implement that responsibility.

The third and final type of problem was a mismatch between authority and accountability. We had in mind situations in which the system of accountability was badly designed. Those in charge have no real incentives to play the game in ways that contribute to effective outcomes. In example 3, the pedagogical institute has no incentive to provide the kind of training requested or needed by local and school authorities because it gets its money anyway (and because it has been doing what it does for too many years).

Although, the list of functions covered in table 1.1 provides the informational basis to identify mismatches, we found it useful to concentrate on what we called "principal contradictions" (World Bank 1996). These are the most critical findings from the institutional analysis; in most cases, these spanned across the various functions. In other words, after a function-by-function analysis of mismatches was completed, teams identified a limited number of problem areas associated with the particular way in which intergovernmental relations were operating. These, rather than the extensive list of mismatches, are the contradictions presented in the final country studies.

The third step in the process was probably the most difficult one. We tried to identify how to solve the principal contradictions by (a) redefining or clarifying responsibilities, (b) providing new authorities, and (c) creating new forms of accountability in order to change incentives.

If we refer back to the three initial examples, in the first case, a natural conclusion might be that addressing the problem might require a reassignment of functions by making regional governments responsible for school networks, particularly in rural areas. In the second example, one potential solution might involve giving extra funds to school principals so that they can offer bonuses to high-performing teachers as a way of increasing their ability to influence outcomes at the school level. Alternatively, another team might come to the conclusion that addressing the problem in example 2 requires a change in the teachers' charter (or similar legislation). Finally, in the third example, one way of changing incentives is to cut direct funding to the pedagogical institute as a way of forcing it to become more customer oriented.

It should be obvious that the methodology does not offer straightforward policy responses to the problems identified. Most of the recommendations proposed by the teams represent their interpretation of how the contradictions could be resolved in their countries' context. In that sense, a different team could have reached a different set of recommendations following the same approach. The institutional analysis thus served as a tool to empower teams to identify problems and the reasons behind those problems and to come up with their own solutions within a logical framework. It does not guarantee that those solutions are necessarily the optimal ones from other people's perspectives. This latter point highlights the critical importance of team composition and the process a team goes through in conducting its analysis.

Group Learning as Capacity Building

It should be apparent by now that the types of problems considered by the teams do not have obvious or simple solutions. The institutional analysis methodology provides a conceptual framework within which to identify problems and potential solutions. To use a popular metaphor, this is more an art than a science, and a critical part of this art resides in the process followed in implementing the methodology. Who is involved in the analysis, what views are captured and considered, and what types of opportunities exist for open and critical discussion among those involved in the analysis are just as important as the analysis itself.

The purpose of the World Bank Institute program was capacity building: helping countries strengthen their ability to conduct independent analysis of intergovernmental arrangements from an institutional perspective with the purpose of enhancing the quality of policy formulation. The approach followed was group learning:

focus on country teams (as opposed to individuals) in several countries and create an enabling environment in which these teams could jointly learn by doing.

The program thus was organized around the production of country assessments. In each of the participating countries, a team was lead by an anchor person or institution selected on the basis of professional qualifications. The anchor coordinated the country team, liaised with the World Bank, and coordinated production of the country assessment. A key aspect of program design was establishing forums for cross-country exchange, including bringing in lessons from other parts of the world.

The country assessments were the outcome of a process of analysis and consultation by members of the country team, which included policy analysts and policymakers with different backgrounds (education specialists, economists, and so forth) and affiliations (Ministries of Education and Finance, local government sector, teaching profession, and so forth). World Bank staff provided technical assistance to the teams during the preparation of their country assessments.

The plan of action was discussed and refined during an initial workshop in the Czech Republic (held in Prague on October 20–22, 1997), during which the three main sections of the assessments were addressed. The first section was to present a description of the present status of intergovernmental roles in the education system, that is, a comprehensive description of where the system is today (as well as recent reforms) in terms of responsibilities assigned to different levels of government, administrative units, and other actors in the education system. Section 1 was reviewed and discussed at a workshop that took place in Romania (Bucharest, March 23–26, 1998). The second section analyzed the way in which the system is operating and identified key problem areas specific to each country. Both the description and analysis of intergovernmental arrangements in the education sector (for example, governance and financing) were linked to the broader intergovernmental regime in place in the country. Section 2 was reviewed at a workshop that took place in Hungary (Szegued, June 22–25, 1998). The third and final section identified viable governance reform options for each country, aimed at improving the effectiveness with which education services are delivered. Country teams concentrated on a selected number of topics—based on the results of section 2—and explored concrete and viable reform options in the legal, regulatory, financial, and administrative frameworks that would contribute to addressing the inadequacies identified in the previous section. Section 3 was reviewed at a workshop that took place in Poland (Warsaw, November 8–10, 1998).

During each of the workshops, teams had an opportunity to learn firsthand about the status of education reform in the host country through a series of visits to schools and meetings with authorities.

There are two characteristics of the group learning approach followed in this case that are worth mentioning and discussing: the multistakeholder and multidisciplinary nature of the country teams and the cross-country nature of the program.

As indicated before, each country team involved the participation of both researchers/analysts and practitioners. Although there was heavy participation of individuals directly involved in the education sector (as practitioners or researchers), special efforts were made to involve individuals linked to a variety of stakeholders: other ministries, local governments, and teachers. It was these teams that conducted the analyses, identified the problems, and proposed the reform options.

The main purpose of adopting this approach was to find simple ways of internalizing the perspectives and information sets from key actors in the system. In some cases, the teams organized broader processes of consultation in their countries around which they built their diagnoses.[1] However, even in those cases in which no such consultations took place, the diverse teams' own dynamics fostered a forum for the exchange of information and views from different stakeholders in the system.

The experience suggests that there are two main benefits to this approach. First, the quality of the analysis improves as teams are exposed to more complete information as to what is really happening throughout the system, how decisions are actually being made, and what the logic is behind the behavior of different actors in the system. Second, by internalizing some of the latent conflicts in the system, the teams are better able to create conditions for consensus on policy reform options.

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[1] The team in the Czech Republic organized a consultation/seminar with the participation of unions, parliamentarians, government officials, and experts. The team in Bulgaria conducted field surveys. The team in Hungary organized a large group of advisors with whom the team met regularly to gather views and to discuss findings.

There are important benefits to adopting a multi-country learning approach. Although there are many differences among the countries, there are also many things in common: a shared concern about the impact of deep governance reforms on the education system, a movement in the direction of more decentralized management, and transition to free-market democracy, as well as a complex history of regional links.

During most of the process, there were five country teams working simultaneously on the program. We met every three to four months with a well-defined agenda. In between workshops, World Bank staff remained in contact with the teams through electronic communications and periodic visits.

The cross-country aspect of the program proved to be one of its key assets. Above all, the possibility of making comparisons across countries was extremely helpful to all of us participating in the workshops. As the next section attempts to summarize, many similarities (in arrangements and problems) were identified. However, the diversity of responses in reform attempts was large and provided a useful way of facilitating debate about alternative reform paths at the country level.

Another critical benefit of the cross-country approach was the fact that it avoided many of the drawbacks of the traditional bilateral relations (Bank-country) present in other activities of this type. As the program progressed, multilateral relationships grew, providing a fascinating and dynamic space in which we all taught and learned. This result was partly due to the fact that a regional initiative is much less threatening than a bilateral one, and, consequently and paradoxically, more powerful or empowering for teams in helping them develop their policy messages.

III. Lessons

All the countries involved in this program have, since the fall of Communism, initiated major changes in the assignment of responsibilities between levels and agents of the state in the education sector (Cerych 1997; Halasz 1996). Starting from command and control centralized systems with some semblance of deconcentration, countries have moved in the direction of creating a more decentralized management structure for service delivery. In most cases, the process of reform is still ongoing; in several countries, it is facing some major transformations at this point in time.

If any of those involved in the program had any doubt initially, it is very clear now that there are no blueprints for reform. In the first place, we are facing an unusually intense and rapid experiment in state reform for which there is no precedent. Thus, it is not feasible to relate the challenges and solutions to past experiences (in the same region or elsewhere). Second, the initial conditions are quite different among the countries. The education systems in Poland and Romania are larger than in the other countries. The Czech Republic is wealthier than, say, Albania or Bulgaria. Cultural and social traditions are very different (for example, Hungary started the transition with a much stronger network of social organizations involved in the education sector than most of the other countries); the nature of the economic and political transition has also been different.

Finally, there is a strong element of path dependence in these reforms. Although at certain points in time countries seem to face alternative routes in the reform process (for example, Hungary could have adopted a less extreme form of decentralization if the balance of political power had been somewhat different in the early 1990s, and the Czech Republic might decide on alternative models for the newly created regions), after those decisions are made, the future of intergovernmental arrangements in the education sector is, at least partly, predetermined.

Behind the sharp differences in diagnosis and proposed solutions that can be easily observed in the country studies, it is possible to find some important common factors, as discussed below.

Reform Goals

Rearranging roles among levels of government and agents of the state is not a goal in itself. It is only with respect to specific outcomes that reforms can be assessed. Goals are seldom specified upfront, and reforms are rarely designed in a logical way to achieve predetermined objectives. Nevertheless, as the different country teams worked on their country reports, it became quite clear that there was a set of generic goals underlying their analyses. Regardless of the natural differences in emphasis observed in the work of different teams, these goals seem to define quite accurately the challenges faced by the reforming countries. Terms such as quality, equity, and efficiency come to mind immediately. However, it is worth reviewing some more specific goals implicit in the country assessments:

- Efficiency, in all country reports, is a synonym for running the system with declining budgets without a reduction in student achievement. The critical question in almost every country is a diminishing school-age population and the corresponding excessive number of teachers.

- Quality means at least two things beyond the conventional and almost tautological question of high student achievement. First, it means creating a system that is responsive to the changing requirements of the labor market. Integration into the world economy, and particularly into the European Union, is critical here. Second, it means creating a system that reinforces the process of democracy, not just directly through what happens inside the classroom, but also in terms of how schools and society interact.

- Equity seems to have both interregional and interpersonal aspects. The interregional aspects mean that no region within the country is left out (in particular, rural areas), which, as many of the reports recognize, might conflict with the efficiency considerations. The interpersonal aspects (which tend not to be spelled out in most cases) reflect the concern that some students (for example, ethnic minorities) have fewer opportunities than others.

Although not all the teams spelled these goals out clearly, both the reports and the discussions held during the workshops strongly suggest that most of the tensions that teams have focused on can be organized around these goals. These are more or less universal goals, but are particularly important and relevant in this group of countries at this point in time.

Shared Responsibilities

The governance structure of the education system varies significantly among countries, in part reflecting overall intergovernmental arrangements. Depending on the country, there are two, three, and up to four levels of governmental entities involved in the delivery of education services. Deconcentrated offices of the center are powerful in some cases and nonexistent in others. Schools have substantial autonomy in some countries and little or no power elsewhere.

Regardless of the rhetoric (autonomy, decentralization, and so forth), these are (and most likely will continue to be) systems of shared responsibilities. Several agents of the state are in some way involved in the delivery process, and no single agent has full decisionmaking power over the key education decisions. This might be an uncomfortable reality for some people (actors and analysts), but it is a fact of life with which countries will have to learn to live.

Recognizing the principle of shared responsibilities does not, however, mean forgetting about the important tensions implicit in defining the balance of power among the different actors. With regard to these tensions, there is a broad range of experiences in the six countries. The balance of power between the center, deconcentrated regional offices, local elected authorities, school authorities, the teaching profession, and diverse types of boards with the participation of citizens is at the core of the teams' analyses. Even in a system of shared responsibilities, the center of gravity must reside somewhere.

In some countries, the distribution of responsibilities and powers is such that it is relatively straightforward to identify a center of gravity: national in Romania, local in Hungary, and so forth. Where the center resides is less clear in other countries (for example, Poland), particularly as the system continues to evolve. The country reports show the extent to which countries (and the teams) are still struggling to define the right balance of power between the center, the locality, and the school and between the professionals and the politicians.

It is very clear that the movement has been toward a shift in power in favor of the local. However, local is a very different category, for example, in Hungary (with several thousand territorial entities, most of them very small) and in Romania. It is much less clear to what extent these decentralizing trends will go in making the schools the center of gravity in the education system. The country reports vary in their views of how desirable such an alternative really is. In part, a model of semiautonomous schools linked to each other by policy and support networks seems to appeal to several of the teams. At the same time, there is an implicit recognition that the level of institutional development (both of schools and the networks that could supposedly link them) is insufficient to carry out this vision without serious disruptions to the overall effectiveness of service delivery.

Equally, if not more, controversial is the tension between an education system managed mostly along professional lines and one in which management is strongly embedded in the overall system of government. All the country reports, with more or less emphasis, recognize that, in a democratic society, the education system cannot be isolated from the broader political world. In that sense, all reports emphasize the process of policymaking at the national level, in particular, in terms of the balance of power between education authorities and other executive branches and between the executive and the legislative branches.

However, the extent to which the education system should try to isolate itself from the political world at lower levels of the state (that is, the regional and local levels) seems to be a matter of much controversy and uneasiness in most cases. The degree of controversy is partly related to the specifics of how political decentralization has evolved. The stated resistance to a model in which local elected authorities play an active role in the management of education found in some of the reports is, at least in part, a reaction to a perceived lack of political reform at that level. It is hard not to sympathize with concerned education reformers resisting a movement that may make schools hostage to nonreformed political bosses. At the same time, it is hard to see how the stated goals (particularly efficiency and quality) will be achieved in the long run if education management works in a parallel, but unengaged, way with the local governments. The tension is a real one, and the country reports can do little to resolve it. What they do very effectively is remind us of the political nature of state reforms, including those in the education sector.

The six countries are struggling to resolve the question of where to locate the center of gravity, but the country reports bring up another very important point. Regardless of the final distribution of power between the different agents of the state, an effective system of shared responsibilities requires the presence of checks and balances to which those agents are subject. The reports provide us with multiple examples of situations in which those checks and balances are not present—the legal and administrative frameworks as well as the political realities are not conducive in that regard. Personnel issues appear prominently: the lack of effective capacity on the part of school directors to enforce their authorities on teachers, particularly in Albania, Bulgaria, Poland, and Romania and the limited tools to enforce accountability on the part of directors and inspectors mentioned in the cases of Bulgaria, the Czech Republic, or Romania, and so forth.

The reports also remind us that lack of transparent, accurate, and timely information is an important barrier. In order to check, one needs information on the basis of which to assess performance. It is both a question of quality information (on inputs, outputs, and outcomes) as well as transparency in the access to such information.

The country reports systematically bring up the serious lack of information affecting the education systems and add recommendations on this important front. At the same time, there is an implicit, but often unspoken, recognition that what is needed is development of a performance-oriented management culture. It is less clear how that cultural change could take place. When looking for a common response, it is unavoidable to focus, once more, on reforms in intergovernmental arrangements that bring decisionmaking power closer to users and a better matching of responsibilities and authorities.

Although the country analyses focused on broad institutional incentives, issues related to the financing of education were critical in all reports. The changes in assignment of responsibilities have a correlate in terms of sources of funds and expenditure patterns. Not surprisingly, most teams identified contradictions and problems related to how education expenditures are being funded. To put it bluntly, if money is not directed where it is needed—given the assignment of expenditure responsibilities—even the best institutional design will fail. A key tool for effective service delivery is to have money, and financial incentives (positive and negative) are extremely important in defining how different actors behave.

Under current fiscal arrangements, local taxes and revenues are insufficient to pay for education services adequately in all countries. As a result, the financing of education continues to occupy a very important share of national financing, thus the centrality of intergovernmental transfers. The country reports do not go deeply into the analysis of intergovernmental finance. They do point out however, that it is not possible to disassociate the institutional reforms in the education sector from the overall design of fiscal relations between levels of the state. In most countries, this remains an unfinished agenda. Furthermore, even in those cases such as Hungary in which more or less transparent and rational systems of transfer to local governments exist, those virtues seem to break down at the school level. This is either because allocation rules to schools do not follow similar principles or because multiple-source funding makes it difficult to achieve a unified school-level budget.

Consensus Building, Coalitions, and Political Considerations

Political analysis was not specifically considered as part of the terms of reference for the country assessments. However, several of the reports included some political analysis: identification of how different interest groups influence outcomes through political action or how the success or failure of reform attempts is linked to reformers' ability to establish winning coalitions. This was even clearer in the discussions held during the workshops.

The stealthy appearance of political analysis within the country reports is not surprising. The reforms in question are profoundly political. They involve a shift in the balance of power between different actors inside and outside the education system. Reforms are not just about defining where a country wants to go but also about how to get there. Change cannot be carried out if those with power block it—particularly if those who have the most to gain from change are not yet constituted as collective actors with capacity to influence decisionmaking.

Political considerations appear more prominently in the reports in relation to three themes: teachers (and teacher unions), local governments, and citizen participation. The resistance of teachers and their unions to reforms in the education sector (in particular, those decentralizing authorities to the local or school level) is considered to some extent in all the reports. Some reports take a more critical perspective than others of the role teachers and their organizations are playing in the reform process. However, even in those cases in which the treatment of these issues is from a positive (as opposed to a normative) perspective, there is recognition that issues such as salary negotiations do not take place in a political vacuum. Although less prominent, the importance of political factors appears whenever the role of local governments is considered. For example, some of the reports present arguments that confirm the hypothesis that the degree to which authorities are decentralized to subnational governments is related to the local electoral prospects of the parties in power at the national level that make the decisions on delegating responsibilities (see, for example, the cases of Albania and Hungary).

However, when the question of participation (by parents, communities, and social partners) is discussed, political economy considerations become more prominent. Without exception, the reports identify participation as an essential aspect of the reforms oriented to improving the effectiveness of education services, and they all include recommendations seeking to promote such participation. Unfortunately, the gap between the teams' desires and the reality of how difficult it is to achieve fruitful participation is very large. For example, all the reports express frustration with the difficulties of making the various forms of school or community-level councils that already exist (in theory) work. Although it is true that the reports identify institutional bottlenecks that explain the limitations of citizen participation in schools (for example, in many cases councils have very limited authority concerning resource allocation decisions), it is also true that the speed at which participation grows is related to the depth of democratic political institutions at the local and national levels. Furthermore, beyond the most direct type of parental involvement, citizen participation is taking place through intermediary organizations of different types, which brings up the importance of social networks and social capital in explaining patterns of participation.

The point is to recognize that as we learn more about how reforms in intergovernmental arrangements can contribute to more effective education systems, we do not forget that political institutions are an important source of incentives (positive and negative); consequently, educational outcomes cannot be easily disassociated from political factors. In particular, we need to recognize that implementing education reform requires institutional development not only at the administrative level but also at the political level. Change almost always implies conflict. Political institutions can either become a vehicle to mediate and manage conflict or, quite often, a source of conflict and stalemate themselves.

As suggested at the beginning of this chapter, there are no blueprints for reform. Decentralization per se is neither good nor bad. The challenge these countries are facing is how to develop new institutions that can effectively command the resources of the state, civil society, and private sector to achieve educational goals. There has been and continues to be very valuable experimentation from which countries can learn. We hope that through this program we have provided a helpful venue for such learning to take place.

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2. Albania

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I. Introduction

The crisis of 1997 revealed that a lack of accountability and weak institutional capacity were some of the fundamental governance problems hampering Albania's ability to grow. Although the government has made significant progress in liberalizing the market in recent years, its efforts to strengthen public sector institutions have lagged behind. The debate on decentralization has recently been revitalized by the creation of a National Council for Decentralization, which includes representatives from both the central government and local autonomous bodies. A special Decentralization Task Force of the council has been created to prepare a strategy for decentralization as well as to draft laws and action plans. In this context, it is useful to examine the specific governance challenges posed for the education sector.

Although radical changes and transformations have affected the country as a whole since its transition to democracy in 1991, changes in the education sector have been slower and less pervasive. Some governance changes, however, have had an impact on the delivery of education services, including the following:

- The number of districts has increased from 26 to 37 (including two for Tirana).[3]
- Education directorates (EDs) were created in 1993 as deconcentrated branches of the Ministry of Education and Science (MOE) at the district level.
- Local elected officials of the country's 315 communes and 69 municipalities[4] have become responsible for the basic maintenance of schools.
- Involving parents and the community in school affairs has been encouraged by the creation of school boards.
- Schools have been granted the freedom to collect nongovernmental resources from sponsors and/or to generate their own revenues from renting school space.

The governance changes that have been introduced, and changes that are now being debated as a result of a new constitution approved in November 1998, have been made in response to various political, financial, and administrative challenges rather than in an attempt to improve the delivery of education services. This approach to reform, which does not reference an appropriate vision for the sector, has resulted in a system that is not delivering what is expected from it in an efficient and equitable way. Most of the decisions are made at a centralized level far removed from the reality and needs of the individual school. When decisions have been transferred to the local level, appropriate accountabilities have not been put in place that would contribute to improved decisionmaking. This chapter attempts to identify some of the current dilemmas and possible options entailed in designing an educational system that is consistent with the goals of the new multilevel government framework.

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[3] After the collapse of the Communist regime, authority was vested to smaller units in accordance with a commonly held belief that such units would, by virtue of their size, be more efficient and effective. This has not proven to be the case. In fact, because the new districts have less capacity than the older ones, they are consequently less effective. Public debate now favors a shift to larger units (regions).

[4] Organizationally, communes are equivalent to municipalities but are located in rural areas.

The following section presents the current structure of educational governance and finance. Because each educational level follows a different governmental arrangement, this initial analysis focuses on basic/compulsory education (grades 1–8) because it involves the largest shares of students and resources. The next section illustrates the most critical problems resulting from the current arrangement. Based on this analysis, the chapter identifies key instances where there is (a) an assignment of responsibilities at an incorrect level, (b) a mismatch between responsibilities and the tools required to undertake them, and (c) a mismatch between responsibilities and accountabilities. Possible reform options are then suggested.

II. The Education System Today

Governance Structure

Central Level. The administrative organization of Albania's education system involves several levels. The central level includes the legislative and executive bodies as well as national institutions. The latter are Parliament, the Council of Ministers, and the MOE and its subsidiary organizations such as the Institute of Pedagogical Research (IPR), the Textbook Publishing House (TPH), and the Textbook Distribution Enterprise (TDE).[5] Also involved is the recently created (1998) Ministry of Local Government (MOLG), which represents the interests of local governments and which plays a role in the budget planning and execution process, monitoring the way in which resources allocated to municipalities and communes are used.

Parliament is the legislative body that adopts the laws of the country, including laws on education. Most initiatives for education laws originate with the MOE. The Parliamentarian Committee of Education and Culture is responsible for examining draft laws on education and culture. The Council of Ministers is the highest authority in the country to define education policies. It issues the orders and decrees needed to enforce the legislation approved by Parliament and plays a very important role in the discussion and adoption of the annual budget for education and its allocation by district. The MOE is responsible for implementing those educational policies defined by the Council of Ministers. In addition, the MOE does the following:

- Approves programs and textbooks for all school and preschool institutions
- Defines criteria for licensing private educational institutions
- Develops, approves, and issues admission criteria for educational institutions at any given cycle
- Defines period of studies in each cycle and criteria for issuing certificates and diplomas and for elective subjects
- Develops teacher training
- Defines criteria for recognition of private and public school diplomas
- Oversees all educational institutions
- Defines the structure of the academic year, the workload of the teaching staff, and the average number of students per class for all levels of public education.

The IPR is a specialized body in the area of educational research. It develops programs (subject content) for schools and for in-service teacher training. The TPH develops and publishes all textbooks and supporting literature for teachers of all subjects and for all levels of preuniversity education. The TDE is a state-owned enterprise with monopoly over the printing and distribution of textbooks in the districts.

Regional Level. Prefectures were created in 1994 at the regional level. The prefect is the representative of the national government in a designated territory. Prefects are appointed by the Council of Ministers and ensure that all government agencies in their district comply with the law. Their budgets cover their own operating expenses only; there is no funding for implementing policies. Prefectures do not have distinct responsibilities in the field of education.

District Level. The district level has education directorates, which are part of the MOE; the elected head of the district; and the district council (DC).

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[5] The TPH and TDE are currently in the process of being privatized.

The EDs are responsible for the appointment and transfer of teaching and nonteaching staff, school supervision and inspection, and teacher in-service training. They also provide schools with necessary administrative materials (student registers, and so forth), furniture, and laboratory equipment, and they plan and supervise the investments made in education at the district level, including the construction of new facilities and major rehabilitation of existing ones. EDs are also responsible for collecting information at the district level and supplying it to the MOE. The ED director is appointed by the minister of education and science.

The DC is the second autonomous level of government after the municipality/commune council (MC; see following section). Its membership is directly elected by district residents. It appoints a head of the district as its executive level and an additional six or seven people who make up the "presidency," as it is called. Under this presidency fall several departments staffed by civil servants: land management/registration, education, health, urban affairs, and so forth. For education, there is one person in charge per district, coordinating communes and municipalities. These offices are legacies from the past; they play no major role today and do not have any budget for education activities. The district level has competencies for urban planning, land registration, and water supply. For example, the DC head is also head of the urban/land committee.

Local Level. In mid-1992, a new law allocated additional responsibilities to Albania's municipalities and communes.[6] These responsibilities are vested in an elected mayor (for municipalities) or head (for communes) and the municipality/commune council.

Members of the MC are elected by local residents. The MC is considered the first autonomous level of government. It acts as a miniature parliament. It approves the budget for the municipality or commune and has various committees and controls over the administration.

The mayor is the executive power. The mayor appoints chiefs for the various municipal departments. These chiefs receive salaries as civil servants; MC members receive bonuses for their work. Large and midsize municipalities and communes have a chief in their education office; in smaller municipalities/communes, one chief is responsible for several sectors. Chiefs with jurisdiction over education are responsible for maintenance of school buildings and have a budget assigned for that purpose.

School Level. At the school level, the directorate is made up of the school principal and one to three deputy principals, depending on the total number of students in the school. The principal reports to the ED, the MOE, and the relevant local authority and is expected to follow certain guidelines published by the MOE at the beginning of each year regarding the number of periods per subject and the number of work weeks, as well as any specific recommendations the ED has to offer. Depending on their interest and individual leadership, principals may seek financial support from external donors, sponsors, and parents. With those funds, they can make a difference in the school environment or fund special school activities.

The teachers' council is an advisory body of the school principal that addresses various aspects of teaching. The council can invite parents, students, and education experts to its meetings. These councils exist more or less as a formality in order to comply with regulations rather than as a true forum for debate and discussion among colleagues.

The parents' councils at the class and school levels are bodies that serve to strengthen the links and cooperation between schools and families. They are advisory bodies, and their level of involvement varies depending on the teacher, parent, school, and community.

The school board is a body that aims at the involvement of the whole community—including the business community—in the problems of the school. The chair of the school board is a parent within the school. The board is a consulting body with the authority to propose the appointment of the school principal, or the appointment and dismissal of a teacher, to the ED (the latter is not a frequent practice). The MOE has passed a recent regulation requiring all schools to have a school board. However, it is not known how many of these boards are functioning effectively. Most of the time, school boards focus their activities on collecting additional financial resources for the school.

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[6] Municipalities are organized in quarters and communes in villages. Both have appointed elders who manage minor administrative tasks.

The teacher is, as defined by the 1995 Law on Preuniversity Education, the key pedagogical expert in the school. He/she is responsible for assessing student learning and determines, based on his or her own criteria, whether the student shall move on to the next grade or repeat the current grade.

Financing Arrangements

The system of intergovernmental transfers in Albania that finances the provision of basic education services has two main components. The largest share of the transfer covers salaries (for teaching and nonteaching personnel) and investments (renovations and equipment) and is transferred in the form of a conditional transfer from the central government to the ED level. School operating expenses, building maintenance, heating, telephone, and other utilities are covered by a central transfer to the municipalities and communes in the form of a government block grant. This grant is not earmarked for education, and the local authority is expected to finance other public services from it as well. Although local authorities have the option of increasing their local budgets with their own revenue collection (through taxes on small business, a space at the market, waste management, and property), these local revenue budgets tend to be meager. Most local entities do not have the capacity to collect taxes due to a lack of a registration system and enforcement agencies. Even with maximum fiscal efforts, the percentage of national taxes that pertain to local governments is low (5 to 10 percent). Property taxes, for instance, are centrally collected and then transferred to the local budgets. Consequently, the principal source of financing of basic education is the state budget. In addition, schools have the capacity to generate their own revenue by offering services, by renting their facilities to third parties, or through parental and community contributions. The volume of these contributions varies by school and area; some schools use these additional funds to pay for extra security staff or to perform minor repairs.

The total national education budget for all education levels from preschool to university involves a local and a national (central) budget. The local budget for education is made up of (a) the conditional transfer from the state budget, (b) the share of the budget from the block grant to local authorities that covers education expenditures plus any additional local resources allocated to education, and (c) schools' self-generated income. The remainder constitutes the national education budget and covers expenses for central-level administration and institutions as well as universities, capital investments, and large repairs. Although the total education budget comprised about 10 percent of the state budget between 1994 and 1998, the share of education expenditures covered by the local budget has somewhat decreased, dropping from 87 percent in 1994 to about 82 percent in 1998. During the same period, the share of education expenditures covered by the national budget has increased from 13 to 18 percent. Table 2.1 presents a breakdown of the state education budget in national and local terms from 1994 to September 1998.

Table 2.1. The Education Budget

Budget	1994		1995		1996		1997		Sept. 1998	
	Million leks	%	Million leks	%	Million leks	%	Million leks	%	Million leks	%
Total state expenses										
National	43,900	72	56,429	76	62,580	75	74,665	74	78,836	82
Local	17,084	28	17,724	24	21,200	25	26,083	26	17,562	18
Total	60,984	100	74,153	100	83,780	100	100,748	100	96,398	100
Education expenses										
National	794	13	1,581	19	1,655	17	2,375	21	1,652	18
Local	5,341	87	6,883	81	7,956	83	9,032	79	7,855	82
Total	6,135	100	8,464	100	9,611	100	11,407	100	9,507	100

Source: Ministry of Finance data.

The Albanian government does not contribute to the financing of private education, either nationally or locally. These educational expenses are covered totally by parents' payments. The number of students registered in private schools is 0.3 percent of the total number of students in basic education. Foreign aid to education consists primarily of state aid and soft loans from different donors and various donations in the form of grants. The share of foreign aid to the education budget has increased from about 3 percent of total in 1995 to about 8 percent in 1997–98.

There are no special formulas for allocating the budget across districts or education levels. In general, budget planning and funds allocation is a central-level function undertaken by the Ministry of Finance (MOF), the MOE, the government, and the Parliament. The planning of the state budget for the following year begins in May and June. The MOF sends a formal request to the line ministries, local authorities, and other state institutions asking them to present their financial needs and the respective guidelines for their calculation. The main principles underlying budget development are (a) the previous year's expenditures; (b) the expected inflation rate; (c) the expected revenues, including foreign aid; and, to a lesser extent, (d) the weight or urgency of some problems.

The Law on the State Budget identifies the MOF as the main body responsible for the development of the state budget. The law says that, after the budget has been approved by Parliament, the transfer of funds from one line item to another or from one area to another is not allowed, with some exceptions.

The MOF budget departments at the district level help state institutions in the planning process and collect the request forms at this level. Generally, the requests that come from the local level do not undergo any type of processing, reduction, or negotiation at this stage. Rather, the request forms are sent to the line ministries and to the MOF, which together develop the draft budget and, after some consultation and negotiation, submit it to the Council of Ministers.

The budget planning process follows a different path for different types of expenditures. In the case of salaries, the ED, on the basis of information provided by the schools through the inspectors and on the basis of the MOE guidelines in terms of curriculum hours and student/teacher ratios, plans staff needs for the year for each municipality and commune in the district. The ED director then sends this information to the municipal finance office, which prepares the corresponding salary fund request applying specified coefficients to salaries depending on teachers' experience, credentials, and so forth. This plan then goes to the MOF district-level budget office, which verifies that the appropriate guidelines have been applied in preparing the budget; it next puts together the total request for the district. Copies are sent to the MOE, MOF, and MOLG.

In the case of operating expenses for education, the municipal-level education office prepares a plan on the basis of requests and information from schools. This plan is discussed at the MC and then sent to the district-level budget office, where the proposal is checked for consistency with budget preparation guidelines. Copies are sent to the MOF and MOLG. The MOF puts together all budget proposals and submits the consolidated plan to the Council of Ministers and Parliament for approval.

Usually, the draft budget is approved by Parliament with few changes, and the parliamentarian committees do not play a major role in the process. Major negotiations for the education budget take place (a) between EDs and the MOE about the salary and investment share of the budget; (b) between mayors and heads of communes with the MOLG/MOF for maintenance and repairs (this bargaining used to take place between mayors and the MOF, but because the MOLG now holds the budget for the block grant, it has gained power in allocating it among municipalities and communes); and (c) between line ministries and the MOF for the total budget for the sector. The MOLG has the right to hold 5 percent of the total government transfer to municipalities and communes as a contingency to be reallocated among them for specific emergencies (natural disasters, social problems, lack of revenues, and so forth). In a system that lacks transparency such as this, inequities are more likely to be fostered, because the poorest and weakest municipalities have less chance to have their voices heard.

Parliament reviews the budget and reallocates funds in July, aiming at a better distribution according to expenditures and priorities that have come up during the first semester. The changes and reallocations follow almost the same procedure as before. The MOF's role during this second budgeting phase is even greater than in the first.

The flow of funds for the education sector follows a relatively similar path for salaries and operating expenses. From the general treasury department of the MOF in Tirana, the money goes to the MOF treasury office at the district level. This office, at the request of the municipal finance office, executes the payment. In the case of salaries, the finance office collects the money corresponding to salaries for the municipality and then distributes to one person per school the total salary fund for that school. This person then pays the teachers and returns a signed receipt to the finance office. For operating expenses, the finance office requests payment to the service provider (for example, electric company or contractor) from the treasury office; the provider then collects payment at the corresponding bank. The municipal finance office has complete and detailed information on the local municipal education budget.

The largest share of education expenditures is financed and managed by the central MOE level and its deconcentrated branch at the district level, the ED. These expenditures cover personnel, capital investments and large repairs, equipment, and materials. In 1998, recurring costs represented about 88 percent of the budget, of which personnel represented about 82 percent. Responsibility for executing those funds remain at the MOF district treasury office, as in the case of payment of personnel. This authority is not a decisionmaking one, however. In the case of textbooks, financing is subsidized by the central level and supplemented by parents' payments. The municipality level has decisionmaking power over expenditures related to school maintenance including minor repairs, student meal programs, and—in the near future—teacher transportation and per diem. Parents can make direct contributions to schools. There have been recent discussions as to whether to include funds for equipment and repairs as part of the block grant to be managed by municipalities and communes. That proposal was rejected last year, but is again included in the debate for next year's budget. The MOLG is interested in supporting this initiative but has encountered resistance from the MOE, MOF, and Parliament.

Table 2.2 summarizes the main sources of funds for education expenditures and the responsibility at each level in executing them. As the table shows, Albania's remains a very centralized system, wherein most decisions and actions are taken at the central level, either by the MOE or its regional branch, the ED.

Personnel Management

Appointments and Salaries. Specifics regarding average workload and number of students per class, as well as requirements for becoming a teacher of compulsory education, are negotiated every year between the MOE and the Teachers' Trade Union in a collective act. MOE inspectors, on the other hand, are civil servants, and their management is regulated by the 1996 Law on Civil Service.

Salaries for education employees are defined by the Council of Ministers. Teachers' salaries increase according to seniority, professional qualification level, and place of employment (hardship). The level of salary differentiation among various categories of teachers is minimal, although recent legislation that increased salaries by 30 percent may change this. School principals can supplement teacher salaries from a 5 percent bonus fund that the school receives twice a year.

It is the responsibility of the ED director to appoint, dismiss, and transfer teachers as well as to appoint inspectors, principals, and nonteaching staff (cleaning personnel and guards). Staffing needs are planned by the ED based on data received from the MOE regarding preliminary district ceilings and requests from principals and inspectors on school needs. There are no guidelines regarding selection criteria for the appointment of new basic education teachers (grades 1-8), but it is specified that secondary school teachers be appointed after participating in a competitive selection process. Those interested in appointments as new teachers must enter their names on a waiting list at the ED office.

Initial Training and Professional Development of Teachers. Teacher initial education is undertaken after completing 12 years of schooling at universities and other higher education institutions. Training usually lasts four years. At present, it is very unclear what entity is responsible for in-service teacher training because the system has undergone a series of changes during the last few years. In spite of having been declared a priority by the 1998 government program, there is currently no national strategy for teachers' professional upgrading.

The content and purpose of training are defined at the district level by the ED office, and district

Table 2.2. Education Functions by Funding Source and Responsible Executive Body

	Central	District (ED)	Municipality/ commune	School	External
1. Salaries (teachers, principals, support staff)	Financing: Allocates funds for municipalities and communes. Determines number of teachers and the payments fund	Estimates number of teachers needed in district according to central regulations	Finance dept. cashes money from district treasury office and pays school salaries	Prepares payment lists; pays bonuses from a very limited fund	In some schools, parents pay custodian.
2. Training: preservice	Financing: Funds teacher training universities from the state budget	n.a.	Pays transportation and per diem for teachers and training leaders	n.a.	Aids programs and sponsors faculty training
2. Training: in-service	Funds payment, from state budget, of ED inspectors responsible for teacher training	n.a.	n.a.	n.a.	Foundations pay for lecturers and training materials.
3. Materials: textbooks	Financing: Pays part of the cost of textbook publishing with a subsidy fund TPH pays authors; TDE pays for printing and distribution Financing: MOE/MOF through special funds for this purpose	n.a.	n.a.	n.a.	Parents pay part of the cost (price is difference between cost and subsidy).
3. Materials: equipment	Same as above	Execution: Makes purchases and organizes tenders	n.a.	n.a.	Parents and sponsors buy some teaching materials.
3. Materials: teaching materials	n.a.	Same as above	n.a.	n.a.	Same as above
3. Materials: consumable materials	n.a.	n.a.	Financing: Allocates funds from MOF grant Execution: Makes purchases and distributes materials	n.a.	Pay small sums
4. School infrastructure: new construction	Financing: MOE/MOF through funds established specifically for this purpose Execution: MOE through its coordination-investment dept. organizes tenders procurements, determines school site	Execution: ED signs completion of works	n.a.	n.a.	Financing: Funds from various foundations, for example, SOROSExecution (AEDP - Soros Division) construction unit
4. School infrastructure: reconstruction	Financing: MOE/MOF through funds established specifically for this purpose	Execution: ED decides which schools will be reconstructed, organizes tenders, handles procurement, and signs completion of works	n.a.	Execution: Signs the cost estimate of works	Same as above
4. School infrastructure: minor repairs	n.a.	n.a.	Financing: Through funds approved specifically for this purpose Execution: Decides which schools will be repaired and signs contracts with the firm or individual to perform the works	Execution: Signs the cost estimate of works	Financing/execution: Parents and sponsors collect funds and buy materials for school maintenance.
5. Student services: food and scholarships	MOE/MOF approve the respective funds	Execution: ED allocates fund for scholarships and food among communes and municipalities	Execution: Identifies students and pays for their food and scholarships from funds allocated for this purpose by MOF	n.a.	n.a.

n.a. Not applicable.
Source: Authors.

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teachers are required to participate in training. Training seems to be the responsibility of the inspectors working in the ED supervision and inspection section. At present, courses are offered by the IPR, EDs, universities, and nongovernmental organizations, sometimes in cooperation with state institutions. No accreditation requirement exists to deliver these courses. The local government is expected to pay per diem for those teachers participating in training. The school principal is expected to facilitate teachers' attendance at these sessions but does not manage any resources or have a say regarding staff professional development. In-service training does not appear as a separate item in the national or local budget, so it is not possible to estimate how much is being spent on it. No professional development opportunities exist for principals and inspectors.

Curricula

According to the Law on Preuniversity Education, Albania has national, centrally developed curricula and programs for basic education. The MOE is responsible for national curricula design. It decides (a) the structure (weeks and holidays) of the academic year, (b) the list of subjects to be studied at each grade level, (c) the total number of lesson hours for each subject, and (d) the distribution of the subject hours across the eight years of compulsory education. The MOE also defines the number of hours for every topic in each subject and has the authority to make changes in curricula, programs, and textbooks. The MOE assigns the task of developing subject programs to the IPR and developing student textbooks to the TPH. No systematic procedures exist for assessing the impact of the intended curricula on student learning or teaching practices.

Provision of Learning Materials and Equipment

Defining technical standards for textbooks is the responsibility of the TPH and TDE. In fact, most of the decisionmaking on technical standards is in the hands of the TDE. Each year, the MOE decides which titles need to be revised and which need to be replaced. This information is then passed on to the TPH as an instruction for it to undertake the revisions and to commission new titles. Much of this work is coordinated by the IPR. The TPH prepares the textbook catalogue with the official list of textbooks in use and sends it to the TDE for textbooks that need publishing. The TDE verifies book stocks and checks education statistics in order to decide how many copies of which titles need to be printed.

A joint commission of the MOE, TPH, and TDE approves the technical conditions and standards for the production of textbooks. These conditions and standards are approved on the basis of funds that the MOE has available in its budget for textbooks, which varies year by year. Because textbook printing costs change every year based on market prices, the percentage of cost subsidizing also changes from year to year. Parents are expected to pay for student textbooks; these payments cover the remaining balance for textbook costs. In academic year 1999–2000, the state subsidy will fund 55.5 percent of the total cost of each textbook.

Tenders[7] for publishing and printing are held by the TDE. There were substantial shortages of funds for the 1997–98 school year, and lower grades received preferential treatment. Textbooks may be printed by different printing houses (state or private), which apply for a tender for one or some titles, depending on their technical capabilities. Thus, different textbooks might be printed by different printing houses. Last year and this year, only Albanian printers have been allowed to bid on these jobs.

Discussions are ongoing regarding the transformation of the TPH and TDE into joint stock companies prior to full privatization as well as on involving the private sector in a competitive bidding process to publish textbooks. In this regard, note that textbooks only have a life of one year and sometimes less than that.

The MOE defines the standards and technical requirements for equipment and materials. It also manages tenders for and procurement of those purchases over 10 million leks. For lesser amounts, the ED is responsible for managing tenders and procurement and for distribution to schools according to requests received. Those who will be using the materials (teachers, principals) or maintaining the equipment (local communes or municipalities) are not consulted or involved in the decisionmaking process regarding what is procured. The tender process does not distinguish technical assessment from costs or incorporate distribution or maintenance issues.

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[7] Tenders for all kinds of public funding procurement are based on laws and normative acts of the Council of Ministers. The Procurement National Agency monitors implementation by the procurement entities at the state institutions.

Quality Monitoring

Teachers are responsible for assessing student progress during the academic year. According to the Normative Procedures, automatic promotion occurs at the end of first grade, but students may be required to repeat a grade in subsequent years if they fail three or more subjects.

At the end of grade 8, students are required to take a national exam in the Albanian language and mathematics in order to obtain a certificate of satisfactory completion of compulsory education. These exams are prepared by the MOE, and the written section is administered to all students in the country on the same day. Exams are scored by a local commission at the school. The ED district inspector and a team from the MOE monitor the examination process.

The MOE and the ED are responsible for monitoring several aspects of school quality: (a) school functioning in accordance with legal norms and procedures, (b) teacher classroom practices, and (c) student learning through tests specially designed by inspectors. Written reports of recommendation for school improvement are prepared and submitted to the school principal and the ED director by a team of inspectors.

ED inspectors are responsible for supervision of schools. They are appointed by the ED director. However, there are no professional requirement criteria to become an inspector, and selection decisions are usually based on personal criteria and favoritism. Also, there are no standard guidelines or indicators for inspectors to use in assessing a school during their visits. There are no in-service training opportunities for inspectors.

School Infrastructure

The decision to build a new school is the result of a process of consultation among the MOE, ED, and local authorities. Ultimately, however, it is the MOE that decides on a new opening and provides the required funds. The MOE has the authority to determine and change school location and to close schools.

The ED is responsible for planning the opening of new schools and the closing of existing ones, estimating costs of investment, and preparing documents for tenders and procurement. The ED is also responsible for supervising the construction work done until the building is ready to be used. Local authorities are consulted in the decisionmaking process.

The land is the property of the local community, but there is some legal ambiguity regarding ownership of school buildings. In 1995, the MOE issued an order according to which, until the Law on Building Property is passed, the buildings are owned by the ED.

The ED is responsible for assessing needs, planning repairs, and managing tenders and contracts for school repairs up to 10 million leks (above that value, management of the tender process is the MOE's responsibility). The local municipality or commune is responsible for assessing and monitoring the status of school buildings and for submitting requests to the ED for school repairs based on information provided by school principals on buildings' physical statuses. Both the local authority and the ED office verify the technical status of the request, thereby duplicating responsibilities.

The Council of Ministers proposed in 1999 that responsibility for these large repairs be transferred to local municipality and commune governments. Resources to cover these expenses were to be transferred to the local government as part of the block grant. However, this proposal was not approved for that year and is being debated again for the year 2000 budget.

Municipalities and communes are responsible for school maintenance and small repairs. They are expected to cover those expenses out of their local budget (made up partly from a central government transfer grant). The commune or municipality administration is responsible for managing procurement of goods and contracts and authorizes payment after the school principal confirms that the work has been done. Some municipalities, such as Tirana, have established Economic Centers of Education to perform school maintenance, thus doing the repairs themselves.

III. Key Issues

Albania's education system, in spite of its multiple levels of government, remains a very centralized one. Most decisions are made at the center or by its deconcentrated branches; thus, many decisions that have a clear impact at the school level are made by people far removed from that school's reality. This input-driven system has no built-in accountability mechanism toward the school and community; consequently, it does not provide incentives for decisionmakers to take responsibility for the impact of their decisions on the school. This design is typically found in developing countries, where the civil service pursues rent-seeking power and influence through command and control and bureaucratic red tape (Shah 1997). Such a situation indicates that some functions may be wrongly placed at the center.

Even the current debate on decentralization has a strong flavor of centralization. The creation of a Ministry of Local Government to protect the interests of local governments and to assist them in their development can be seen as an attempt by the center to retain control of the local level.[8] In the current framework, the MOLG captures the budget for the local governments at the central level; these then, in the absence of a clear formula for allocating resources, have to bargain with the central government for their corresponding share. The transfer of certain responsibilities to the local level (maintenance and repairs, transportation of teachers) stems more from the center's desire to forgo some of its many responsibilities than from a clear vision for improving the sector's performance.

Of late, the center has been suffering the impacts of an unstable political climate; eight ministers have been appointed in nine years. After each political election, all directors of MOE departments and directors of EDs have been replaced. These changes, plus a permanent sense of crisis, have not fostered the development of a long-term strategy for the sector. Without a guiding vision, every new minister has tried to leave his or her mark on the system by bringing in new ideas. Those initiatives have usually been undertaken without adequate public and technical debate and have resulted in isolated activities without sustained commitment and continuity.

Compared to other sectors, education is behind in the preparation of a strategy. This lag results partly from a lack of information and capacity at the center and from the absence of a policy development function. It can also be interpreted as a sign that education is not yet perceived as a priority in the country's development. Moreover, at the local level, the electoral agendas of mayors and councils are not built around education issues either. The current minister has acknowledged that the lack of a long-term education strategy is a serious issue. He sees the importance of developing such a strategy and has the commitment of various stakeholders to this end. So far, however, the center has not been able to perform one of its key functions properly: lead strategic improvements in the education sector.

One of the consequences of the current governance structure is a system that does not focus on promoting student learning. Principals and teachers, who by the nature of their functions are main contributors to student learning, become, within this framework, very weak actors. The other levels of the system are not oriented toward supporting quality learning either. The situation is aggravated by a set of financial arrangements that promote inefficiencies and inequities, allow no flexibility or innovation in the use of resources, and are not transparent. The following section further delineates these issues.

A Weak School, No Learning

Personnel Practices. In Albania, school principals are not responsible for managing either teaching staff or financial resources. All personnel appointments—including of principals—are the responsibility of the ED director, and a principal can only recommend to the ED that a teacher be fired. Principals tend not to make such recommendations, however, as they are frequently not acted upon by the ED. Moreover, if a principal were to lodge a complaint at the ED office and the ED did not act upon it, the principal would then have problems with his or her staff. The net result is for principals not to express their concerns over staff.

For its part, the ED's decision not to fire teachers derives from a variety of factors. In some regions, the lack of teachers poses a very real problem. In the district of Mat, for example, the lack of qualified teachers has resulted in about 20 percent of compulsory education teaching positions being filled by staff without a relevant diploma. On the other hand, in Tirana, the waiting list is as long as the actual number of working staff. EDs also fear the negative reactions that firing may generate from those that lose their job in a context of economic crisis and social instability. Additionally, the ED is accountable to the MOE for its decisions, not to the school community, and one of the MOE's current interests is to avoid conflicts with teachers and waiting lists. The ED responds to these directives by not firing anybody. EDs also know that, if they make a firing decision, the fired teacher can always find someone who knows and could put pressure on the ED director to reverse the decision.

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[8] The fact that almost 90 percent of the elected positions in communes and municipalities were won by the Democratic party in 1996 partially explains the current tension between the center and local levels of Albania's government and the reluctance of the center, led by the Socialist party, to relinquish power.

Another example of how centralization negatively affects the school is the case of absent teachers. When a teacher is absent, the principal has to notify the ED office so it can send a substitute. If the school or teacher does not have a telephone, the principal spends a large amount of his or her day dealing with this emergency. Usually substitutes arrive late because they have to go from the ED office to the assigned school; in the meantime, the principal has to take care of the students who have no teacher. It is usually difficult to split or merge the class with another group given the lack of space in overcrowded rooms. Sometimes there is a teacher available in the school who can fill in for a few hours, but that teacher is not paid for the extra work. Only ED substitutes are paid.

Related to staffing issues is teacher professional development (including in-service training) because the quality and effectiveness of teachers has been identified as a key factor in improving student learning. The lack of specific funds for in-service training in the education budget, and the lack of definition in terms of identifying who is responsible for providing and delivering such training, means that, in many cases, inspectors deliver the training themselves. The training offered in these cases is driven by the expertise of the available inspector rather than by the needs of the teaching staff. The availability of better qualified inspectors for delivering training in urban areas contributes to growing inequities in the professional development of teachers in the country, with those in rural and remote areas having less opportunity to access quality training.

In the current system, decisions critical to learning, such as staffing and professional development decisions, are far removed from the school center and are placed in the hands of those whose interests and accountabilities are distanced from the impact those decisions have at the school. If student learning were to become a goal of the system, accountability would have to be redesigned so that those responsible for hiring, firing, and promoting staff would be accountable for those decisions to the school community.

Curriculum Development and Teaching Practices. Further evidence of how schooling is not organized to foster learning is found by analyzing curriculum development and teaching practices. The centralized nature of the prescribed curricula and subject programs, which translate into a single textbook that is supposed to cover the required content, gives little room for adaptation to local needs and student interests. This fact affects both teacher innovation and creativity and student engagement; these in turn affect the very quality of education.

Teachers interviewed believe that some changes should be introduced in the curriculum. Their classroom experience suggests that the curriculum needs to be simpler and more accessible to students. However, they cannot introduce such changes because these decisions are in the hands of the MOE. Those responsible for implementing the curriculum have been left out of the process of planning its development. Instead, development is the domain of IPR experts who tend to have an academic and disciplinarian view of knowledge. The authors of programs and textbooks are teachers and university pedagogues, experts from the IPR who have had limited opportunities to be exposed to the literature and experiences of other countries and who are removed from the actual Albanian classroom experience. No links or discussion about the content of specific subject programs throughout the different grades are made because each author group works independently on its assignments. As a result, the balance of content and coverage of topics is uneven and reflects individual authors' views and expertise, rather than a coherent approach to how each discipline can be understood and constructed by students throughout the school years. Usually, authors are not requested to prepare workbooks for students or teaching guides given the lack of resources to finance their publication. Although teachers tend to be familiar with curricula and programs, they lack supporting materials in terms of teaching aids and teaching guides to implement them.

There are no feedback and accountability mechanisms built into the system so that those responsible for curriculum development can understand how it operates in practice, acknowledge difficulties, or perceive any lack of satisfaction with content and outcomes. Teachers are usually concerned with curriculum changes because these make more demands on them without providing the resources to support the changes.

Teachers are expected to cover the prescribed curriculum within a certain specified time frame. The time assigned for each topic does not leave much room for creativity or innovation, and the teacher is seen as a mere transmitter of information. It also does not allow room for teachers to spend time with those students who are having difficulty with a topic. A teacher can give some extra help occasionally, but cannot linger too much because there will then be insufficient time to cover all that is expected in the school year. Every day, the teacher must note in the student's register the topic covered in each lesson so that the school principal and inspector can verify that lessons are being delivered according to the program. Although the system makes the teacher formally responsible for student learning, the absence of proper tools to assess and monitor student performance results in a lack of accountability toward student learning and a focus on inputs rather than outcomes. Consequently, a teacher will frequently give a student a passing grade, regardless of whether it is merited, because there is no perceived benefit in holding a student back; moreover, the teacher's performance will look better if all students pass. A teacher is not seen as a better teacher for giving low marks. Additionally, high grades were, until quite recently, taken into account for student admission to universities; the practice still persists of students and parents seeking high grades.

Private Tutoring. A lack of systematic and reliable information on student learning, combined with well-meaning but ill-informed parental interest in student outcomes, has created a situation in which those parents who are willing and able to pay for extra lessons are doing so, and thereby contributing to overall system inequity. Although no reliable data exist, it is common knowledge that many teachers supplement their income by offering private lessons, particularly in mathematics, foreign languages, and preparation for university entrance exams. The lack of proper information within a context of low salaries creates incentives for distortions in the system, which contribute to increased inequities, giving a better chance only to those who can afford it.

A Weak Center, No Quality

One of the major functions of the central level of government (MOE) is to ensure quality of input and outcomes. In Albania, this function is almost totally unfulfilled. In the country's highly centralized system, the central government spends most of its time implementing day-to-day operations instead of setting standards, developing policy, and assessing outcomes. No performance standards have been defined, and sufficient systematic and reliable information on how students are performing is not available. No proper accreditation of teaching programs exists; neither does adequate knowledge and skill criteria for selecting teachers, principals, and inspectors and for assessing their performance. Adequate tools for properly monitoring the functioning of the system have not been developed.

Aggravating this absence of a centrally based quality assurance function is the fact that, where some quality assurance mechanisms do exist, they are not designed in a way that truly contributes to desired outcomes. The MOE attempts to monitor the quality of student learning (and indirectly affects teachers' grading systems) by administering national exams in language and mathematics at the end of grade 8 as a condition to obtaining a school diploma. The actual administration of these exams, however, is exceedingly and increasingly flawed. For example, students' exams are scored by teachers from their same school, resulting in an ongoing distortion of grades and granting of passing scores.

Tendering processes exhibit a similar lack of accountability toward the client, and control is based merely on auditing expenditures. Those responsible for preparing specifications are not familiar with school needs and do not have any incentives to procure what is really needed or to procure it at a better price. The quality of investments and large repairs undertaken by the MOE or ED tend to be of low quality because those responsible for maintenance (the local level) are not involved in the process. Authorities are thus not well matched with accountabilities.

Several issues involve inspectors. On the one hand, inspectors have responsibilities without authorities (resources). They usually lack training for performing their role because no special courses exist to assist them and the selection criteria for their appointments usually does not involve any special skill or knowledge requirements. They lack vehicles to facilitate their school visits, do not have sufficient time to devote to each school because they must oversee many schools, lack information on the system's performance to guide their actions, and have no access to resources to help schools improve. In addition, the current social and economic crisis has helped create a climate wherein conflicts are avoided; no punishment, sanctions, or negative criticism are to be given; and great pains are made to preserve the status quo. Low salaries for public officials and teachers do not provide an incentive for high-quality performance. The system has become a culture of accommodation and passivity rather than of one striving for change. Although inspectors are expected to prepare a report as a result of their visits and recommendations, there are no major sanctions to schools or teachers if these are not implemented. Further, teachers do not perceive inspector visits as useful in improving their practice.

Limited Voice and Participation

There is no tradition in Albania of involving parents in sharing responsibility for the functioning of the school. Since the country's transition to democracy, however, the MOE has introduced new norms that foster parental involvement in schools with the creation of school boards. Although there are no data available on how many schools currently have operating boards, anecdotally, some principals are already finding that these boards can be an asset. For example, school boards can help a principal raise extra funds to cover emergency repairs, pay the salary of a school guard, and make similar small outlays. Schools with an active board were protected during times of civil unrest, while those without suffered a variety of consequences.

Beyond providing vital support in raising additional resources for a school, a school board can function as a forum for parents to voice concerns and to place demands on teachers and principals about the children's learning. The current system in Albania offers no other opportunities for parents to express their views and concerns about their children's education. There are also almost no other mechanisms or forums by or in which to debate public education, no think tank involved in informing the debate, and no major role played by the media regarding education issues. The lack of information about the system's performance, together with the lack of participation by various stakeholders in the education debate, helps preserve the status quo and the system's present lack of accountability.

Inadequate Financial Arrangements

The current financing arrangements are not effective. There is no room for flexibility and no opportunity for efficiency or innovation. In addition, there is no transparency in the allocation of resources and no incentives for saving money or making better use of limited resources at any point because the money that is not used goes back to the treasury. For example, in the case of salaries, the ED director has to apply very precise rules to determine the number of required staff according to enrollments and curriculum demands. The director has no opportunity to revise the number of assigned staff to make better use of resources; cannot pay more to fewer teachers; and, if fewer teachers are needed, cannot use the savings for something else.

The same criteria apply to resources allocated for large repairs and investments. Neither the MOE nor the ED have incentives for saving money or for making cost-effective decisions. Usually goods procured tend to be of low quality or inappropriate for the needs of the schools. Distribution to schools is usually not included in the contract, so goods are left at the ED office to be distributed. The ED director can then decide to distribute the goods according to his or her own criteria of where they are most needed based on information derived from visits to schools or requests from school principals. This process gives rise to numerous inequities and inefficiencies stemming from the inexperience, impotence, and frequent subsequent indifference of unempowered school principals; low-quality procured goods resulting in subsequent high maintenance costs for the local commune; and unequal access to equipment and materials due to high population mobility.

Small repairs and purchases raise the same issues of mismatched authority and accountability. Specifically, those responsible for the functioning of the school have no authority for the management of resources and no incentive for increasing efficiency. Moreover, these small procurements can require an inordinate amount of time and energy. For example, principals must make frequent, often daily, visits to municipal offices to secure resources to repair their school or to obtain additional learning materials. Often, it takes so long for the municipality to act that principals must rely on parents' help in emergency situations.

Because the municipality organizes the tenders for the required contracts, principals do not have any information regarding how much money is spent on those contracts or whether the quality of the work merited the money spent. After the work is done, the principal signs a completion note, and the municipality issues payment to the contractor. The process is the same for utility payments. The principal receives a bill and signs off so the company can collect its payment from the municipality. This system contains many flaws with regard to accountability. For example, one principal reported that many times she does not think the bill corresponds to the services delivered because electricity, for instance, is frequently cut off in the school. Because it is not her responsibility how much money is spent and there are no benefits for the school whether it is more or less, she just signs.

Inequities Promoted

In the absence of a financing formula and a transparent mechanism for allocating funds across and within districts, the planning process repeats last year's budget adjusted by inflation and emergency needs. The bargaining process takes place in one-on-one discussions between the EDs and the MOE for salaries for the district, between mayors and the MOLG/MOF for operating expenses, and between line ministries and the MOF for the total budget for the sector. In a system like this, inequities are more likely to be fostered because the poorest and weakest municipalities have less chance of making their voices heard. More disadvantaged schools do not have access to additional resources or assistance because the same criteria apply to all schools. More money is spent in rural areas in general—just because student/teacher ratios there tend to be lower, and it costs more to provide the same type of education to fewer students—but no extra resources are available from the center to make up for initial differences and opportunities to learn among students. This disparity is aggravated by informal operating criteria that tend to reward good teachers with assignments at the best schools, leaving those children in need of more expert attention in the hands of inexperienced teachers that are not well-qualified.

Some examples of the current variations in unit costs are shown in table 2.3. Note that there is great variation among districts in student unit costs, ranging from US$56 in Tirana city to US$149.50 in the municipality of Girokasat. These variations stem partially from different student/teacher ratios (around 26 in Tirana on average versus 14 in Girokasat), but a threefold difference is too large to be justified only by this. In the communes of the Northeast, the moun-

Table 2.3. Annual Student Unit Costs in Selected Districts, 1998

District	Student/ teacher ratio	Student unit cost[a]		Salary		Operational		Salary/total expenditure
		Lek	US$	Lek	US$	Lek	US$	
Burrel city (NE) municipality	19.7	8,208	58.6	6,943	49.6	1,265	9.0	84.6
Burrel (NE) Komsi commune	16.6	14,977	107.0	13,809	98.7	1,169	8.3	92.2
Tirana city municipality	25.9	7,853	56.1	7,231	51.6	623	4.5	92.1
Tirana: Kamwz municipality	26.6	5,580	39.9	5,412	38.7	168	1.2	97.0
Tirana: Zallbastar commune	16.6	18,852	134.7	17,870	127.6	982	7.0	94.8
Girokasat city (S) municipality	14.4	20,927	149.5	18,118	129.4	2,829	20.2	86.6
Girokasat (S) Picar commune	12.3	20,686	147.8	17,593	125.7	3,093	22.1	85.0

a. Salary and operational costs.
Source: Author estimates.

tainous terrain and the great distances from one inhabited center to another have always created the issue of a small number of students per class. In the South, because of mass emigration, the number of students per class has decreased considerably. Variation can also be explained by the presence of more experienced teachers; these are more expensive in some areas of the country than others (Tirana city versus Kamwz municipality). Other factors include more upper secondary schools (grades 9-12), which also tend to be more expensive and more bargaining power for some mayors than for others.

IV. Reform Options

To improve the effectiveness of education services provided in Albania, the system must focus on teaching and learning, rebuild quality assurance and accountability, redesign financing arrangements, and promote resource equalization and school improvement. To perform these actions, the role of the center will need to be redefined and developed within a new decentralization framework; the school level will need to be strengthened to improve its capacity to manage resources and to provide learning opportunities for all students; parental and community participation will need to be increased so as to enhance accountability; and financing formulas will need to be reformed and transparency increased in allocating resources. All these reforms are conceptually linked, and decisions regarding one aspect have implications for the others. To design and implement these reforms in Albania will first require having a vision for the sector and a conceptual framework that is in sync with current state reforms. At this time when the country is embarking on a serious debate on decentralization as a result of the new constitution approved in 1998 and the governance changes expected in 2000, it will be useful to keep in mind the implications of those decisions for the sector, and, most of all, for student learning in Albania.

According to the new constitution, the first level of local government—municipalities and communes—will not change, but the second level will become the region rather than the district. This level will be organized with a regional council made up of the mayors of all the constituent communes and municipalities plus representatives from commune and municipal councils. The responsibilities of all levels have been very loosely defined by the new constitution. For example, the district council level is not mentioned; the likelihood of its continued existence depends on the support this level can obtain from Parliament. Prefectures have not been modified by the new constitution. Regions and prefectures have about the same geographic area. However, the prefect is appointed by the national government, and the region depends on local elections. Although, for the time being, the existence of an MOLG has not been challenged by the decentralization debate, the need to align responsibilities and resources so as to ensure effective service delivery might require revising its role.

Experiences from countries all over the world indicate that decentralization has been undertaken usually for political, administrative, and financial reasons. Keeping a focus on learning and considering how the different levels of the system should be aligned to provide effective service delivery can provide some guidance to decisionmakers and can prevent future mismatches that could result from political compromises that would keep too many levels or too many actors in the system without a clear alignment of responsibilities and resources.

Focus on Teaching and Learning

To orient the system to a new focus on student learning, it will be necessary to review the roles and responsibilities of actors at various levels. Schools are the central place for student learning, and incentives in the system should be designed to support this process. The role of the principal will need to be revised so that he or she can assume responsibility for student learning and can be accountable for those results to parents and the community. A school should be able to define its own targets in line with national goals for performance, manage resources to try to meet those targets, measure results, and make the necessary adjustments. Staffing decisions are essential because teachers are a key input to the learning process. This radical change in the role of the school principal will have to be accompanied with the development of new professional requirements, training, and selection criteria. Who will be responsible for appointing principals will also need to be decided.

To be an effective leader of educational change, a principal will need information on which to base decisions; a set of expected targets; and information about how the school is performing compared to other schools in the same area, the whole country, and similar schools. He or she should be able to manage and mobilize financial and human resources to implement those changes. The principal could also have access to an external support system to help the school achieve its targets in the form of a mentor system, inspector system, or supervision.

Teachers should have flexibility in implementing the curriculum and opportunities to address students' special needs, individual learning styles, and interests. This of course will require the recognition of students' different levels of achievement and technical support for teachers to allow them to improve and reflect on their practices. An effective principal would have a say in the selection of teachers to work in the school and would provide opportunities for teachers to meet with their peers on a regular basis to discuss and receive feedback on their performance. Teachers' initial preparation and opportunities for continuous professional development have to be taken into account as well. This will require a curriculum framework and time table that foster flexibility and adaptation to local needs and students' individual interests. Such a framework in turn will mean revision of how a curriculum is developed, by whom, and how it is revised. The need to include teachers and to move away from the current academic perspective is essential, since teachers are the only people in touch with the classroom reality and children's needs.

Major changes will have to take place in Albania to modify the current situation at the school level to strengthen schools' performance and effectiveness in promoting student learning. An appropriate support system also needs to be developed to help schools achieve their targets.

To focus the system on teaching and learning, it becomes essential to redefine the nature of the role of the center. The center must move from implementation to goal setting, guiding, and monitoring. It will have to play a key role in setting standards and monitoring their implementation, while at the same time ensuring equal opportunities for outcomes for all. Decentralization does not mean that the center should not play a key role in this regard as there are certain functions that can and should primarily be the responsibility of the center. The need to strengthen the role of the center in ensuring equity and quality assurance, for example, was identified as critical in the process of improving the system in Hungary (Balasz and others 1998).

Specific tools must be developed so that the MOE can move away from implementing and toward monitoring performance. These tools include

- The development of performance standards that reflect desired outcomes
- An assessment and/or examination system to determine whether students are meeting those targets
- Strategies and resources to help those who are not achieving expected results to meet the new targets
- A system to disseminate information, program accreditation, personnel quality standards, and operational efficiency standards.

The core idea is to put more emphasis on student performance and less on compliance with regulations. It is essential for Albania that the MOE begins to play a leading role in this shift. The high turnover of personnel and fragmentation of initiatives will begin to be addressed by the proposed civil service reform and the development of a long-term strategy for the sector. Assuming responsibility for missing functions such as policy development, monitoring, and information dissemination will require an upgrading of technical staff.

For the MOE to play an effective leading role, it would have to transfer implementation responsibilities to other levels, particularly to the school, which is the natural center of learning. This would have to be accompanied by investments in capacity development at the school level. It would also imply a very careful analysis of the roles and responsibilities that the other levels of government should or could assume to prevent contradictions and/or duplications of missing functions. It would certainly imply a revision in the ED role because many personnel functions should be transferred to the school level. At the same time, a quality assurance system with assessment and inspection functions would have to be developed; those could be performed at the regional or district level by a MOE deconcentrated office.

Rebuild Quality Assurance and Accountability

Shifts toward standard-based reforms and strengthening of school autonomy require the development of a proper system to ensure that schools are held accountable for their decisions and results. This requires investing in training principals and teachers, redesigning incentive systems so that promoting learning for all students becomes the key element to be rewarded, and providing schools with opportunities to make decisions about their strategies.

This new accountability is usually characterized by linking school success with student performance rather than with compliance to regulations. For example, moving away from attention to teacher/student ratios to attention to student learning outcomes. It has also been associated with focusing more on the school as the unit of improvement, developing continuous school-level improvement strategies, designing new approaches to classroom inspection that focuses on teaching and learning, and providing opportunities for teachers to reflect about their practice and to attend to student work. The new focus on accountability has led to more public disclosure of information on school performance, test scores being publicly reported, and rewards and sanctions being attached to performance levels (Fuhrman 1999).

One of the key challenges in this area is to agree on what to measure in assessing school performance. It is useful—and generally recognized as such—to identify more than a single indicator and to not rely only on student achievement tests. Other indicators include graduation rates and attendance. Moreover, assessing student performance has recently been challenged and complicated by the availability of more sophisticated assessment formats that include open-ended questions along with traditional formats. Issues of validity and reliability of innovative assessment instruments must be addressed in developing a new accountability system, as well as costs and time requirements, particularly if rewards and sanctions are associated with the system. The correct balance between meaningful indicators on the one hand and simplicity of implementation on the other needs to be found in each case.

An essential part of a quality assurance function is complementing the monitoring of school performance with the provision of assistance to schools in their efforts to meet expected targets. Such assistance can take several forms, including technical support from experts, opportunities to discuss and exchange experiences with other schools, and additional resources, and better qualified teachers, among others. An effective educational system must establish a mechanism to help schools achieve and to continue in their efforts. The traditional inspectorate model will have to be transformed to become an effective source of technical support to schools and teachers in promoting student learning and in meeting targets. In the case of Albania, the middle level of government (be it region, district, or municipality) could play a key role in quality assurance. The inspectorate system could be revitalized to play this role. A review system could be designed to assess and monitor school performance in accordance with specific indicators. Inspectors could prepare a report and make the results of it publicly available to the school staff, parents, community, and school board. The requirements and selection criteria for becoming an inspector would have to be revised and special training programs for inspectors put in place to make them effective resources to the school.

Increasing accountability has also been associated with promoting parental involvement in school decisions through the establishment of school boards and outreach to the school community. In practice, though, school boards do not so much foster opportunities for different voices to be heard—and thereby increase a school's accountability to its stakeholders—as focus on bringing additional resources to the school.

Revise Financial Arrangements

The current financing system needs to be redesigned to help all students meet expected outcomes. A system that promotes flexibility, efficiency, and equity must be put into place. Such a system must simultaneously improve equity, provide adequate resources to meet expected outcomes, improve quality outcomes by helping all students achieve at higher levels, and enhance transparency.

If the system is going to focus on outcomes instead of inputs, there will be a need to rethink financing in a way that supports this view and to connect school financing to student achievement. This new focus will require a shift away from the financing of salaries to the financing of student learning. A centralized financing system that could ensure a minimum level of spending per student, alongside requirements to allow schools to budget and use funds, would combine more equal funding with local discretion on how to use those funds to achieve expected results. The challenge lies in identifying how much money will be needed per child in a school to achieve the desired outcome, taking into consideration individual needs such as disabilities, level, and so forth; price variation in educational inputs; and the efficiency of producing achievement results. This base spending would have to be supplemented with additional resources to ensure that all students, rich or poor, would be provided with the services they need to achieve expected outcomes (Odden and Clune 1998).

A minimum spending level per child needs to be defined within realistic revenue constraints and protected from erosion in subsequent years. Extra resources should be allocated to help students from disadvantaged backgrounds meet expected targets. School-based budgeting would give schools the power to reallocate resources more effectively. Given the current limitations in resource availability, schools' ability to capture additional resources from communities, parents, and donors should be stimulated, and schools should be given the freedom to use these resources to help them meet desired targets. Schools in poor areas with less capacity to raise resources should be supported.

It is essential to match decisionmaking with resources. At present, when EDs plan staff needs for the year, they have no flexibility; rather, they follow very prescriptive norms and regulations set out at the central level regarding how many teachers are needed and the salary to be paid each individual. They have no lump sum of money about which to make spending decisions or to better use to meet district needs. If an average per capita spending were determined and made available for each district to use with no constraints other than a commitment to expected results, EDs would truly have authority over resources.

If Albania decides to decentralize to the school level, place staffing decisions at the school level where they can be more effective, and make the school accountable for results, the school principal will be the person responsible for planning and making decisions about the budget that correspond to the school on a per capita basis. This will require removing budgeting norms and regulations that do not allow funds from one category to be used for another and that would provide schools with incentives for saving and spending those resources that would have the greatest impact on results.

Under this proposal, municipalities and communes would not need to bargain with the MOLG and the MOF for their share of resources, nor would EDs need to confer with the MOE. Rather, funds could go directly from the treasury to the school.

Promote Resource Equalization and School Improvement

The current system maintains and promotes large differences in unit costs across and within districts. The lack of a transparent mechanism for allocating resources and a reliance on past budgets adjusted for inflation does not provide any room for redressing these differences. Schools' capacity to tap additional resources through community contributions and specific sponsors also contributes to increasing those inequities because schools in some regions have access to more resources than others. The central government will have to play a key role in redressing these inequities and in preventing future ones from developing. Ensuring equity of inputs and outcomes requires recognizing variations and distributing resources differentially, discriminating in favor of those groups more at risk.

Savings that can be generated at the central level (for example, by eliminating some of the middle levels of government) could be used to redress inequities in transfers. Schools that are receiving a lower share could have the option of capturing additional resources upon presentation of a school improvement plan. The central level could also play a role in this regard by providing those schools that score at the lower end of the performance spectrum with extra resources and support.

Experience has shown that even if equity issues are taken into consideration when designing financing formulas, there will still be schools that need additional help in order to achieve. Equity is one of the key functions that only the central government can assume in an effective way. Preserving a specific amount of resources at the center to ensure equity and implementation of national-level priorities is thus essential.

V. Conclusion

An essential step toward successfully developing and implementing these types of reforms is to have a coherent vision for the education sector. Although the education sector can initiate and lead the reform process in some areas, it will not be able to sustain those efforts if they are not consistent with the overall governance and finance framework for the country. Because successful introduction of these reforms will require a long-term commitment, it is critical that a strategy for the sector be discussed by all parties and stakeholders to ensure continuity over time. Thus, one of the first challenges ahead is to design a process of consultation that will foster and facilitate stability and continuity of Albania's educational policies over time.

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3. Bulgaria

Pencho Mihnev, George Simidtchiev, Vladimir Atanassov, and Antoaneta Voikova[1]

I. Introduction

Bulgaria has 262 municipalities that have been grouped into 28 regions; these provide local, or municipal, administration. The regions are governed directly by the state. The regional governor is appointed by the state, and he or she has the right to abolish the acts of the municipality mayors if the acts contradict the state legislation. If the mayors do not accept the decision of the governor, they can take legal action against him or her, but, before the final decision of the court, the decision of the governor is the legal one. The regional administration is a local branch of the central goverment, and it accounts for its activities to the central government, not to the local authorities (municipalities).[2]

Each community has its own mayor and municipal council that acts as a local parliament; towns and villages that are outside the community center and that have a population of more than 500 persons constitute a separate municipality. Mayors are elected in the larger communites and appointed in the smaller. The mayor and municipal council are elected for four-year terms to oversee social services, law enforcement, health care, education, local infrastructure, and municipal industry. Each council votes on its administrative structure. Thus, these structures can differ from one local administration to another, but their tasks are regulated by the Local Self-government and Local Administration Act and the National Education Act. Compliance with these acts is monitored by the regional governors and their administration. In education, municipalities are responsible for school financing, maintenance, and infrastructure but not for educational quality control, staff policy, direct school management, or curriculum.

The Ministry of Education and Science (MES) defines national educational policy and manages the overall education system. After approximately 50 years of centralization, the ministry continues to wield too much power in too many areas: legislation, curriculum design, test development, and control—through its regional branches, the educational inspectorates—of the teaching/learning process in schools. For the last several years, however, the ministry has consistently sought to decentralize and deconcentrate power and to work toward a more autonomous educational system. The new normative regulations give the ministry the power to establish and develop the main policy framework for public education while focusing on standardization and control of educational outcomes, leaving management and control of educational inputs and processes to the local level.

Regional administration is carried out through 28 education inspectorates. These territorial divisions of the MES implement state education policy at the individual school level to ensure the pursuit of quality goals and to oversee school compliance with education legislation. Since June 1999, the MES has delegated authority to the inspectorates to hire and fire the principals of municipally maintained schools (such institutions constitute the vast majority of Bulgaria's schools). This local power remains limited, however, because principals are named after a centrally regulated competition in which ministry experts also serve as judges. Inspectorates cannot fire or hire principals of state schools in their territory and have no financial responsibilities.

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[2] Between 1985 and 1998, an eight-area territorial division was introduced; this organization was abandoned with the January 1, 1999, passage of the Law on Administrative and Territorial Division, which reestablished the original 28 regions. Educational administration remained essentially unaffected by these changes, however, because it was one of several state services that maintained its regional administrative structure during the 1985–98 period.

The school principal and the pedagogical council, which includes teaching staff and the school management team (the deputy director responsible for maintaining the school, the school psychologist, and others) constitute the school-level management and are the school's decisionmakers. The principal presides over the school board, which includes parents and teachers; their role is advisory and financial to the extent that they provide additional funding support.

Education is highly regulated. Regulations mandate class size, the number of teachers and staff, and teacher salary levels. The 1991 National Education Act defines the relationships between primary and secondary education; the 1955 Higher Education Act defines postsecondary education. Article 53 of the Bulgarian constitution gives every person the right to education. Public education is free and compulsory up to age 16; higher schools are autonomous. Citizens and organizations may create schools, which must comply with state requirements. Ninety private schools enroll about 0.5 percent of the total school population.

A series of recent legislative amendments and initiatives have created a process of educational reform designed to improve the quality of education. The reform is influenced by current trends toward internationalization and globalization; the need for greater freedom of choice; and the political, social, demographic, technological, and economic changes that have occurred in Bulgaria in the last decade. It targets a more flexible school organization that reflects the market economy and principles of autonomy, central education requirements for assessing student achievement and school accreditation, the linking of school financing to student numbers and to educational quality, and more local influence on educational matters.

Bulgaria has the worst demographic dynamics in Europe and a negative population growth rate. In 1995, its total population was 8,300,000, a drop from 9 million in the mid-1980s. In the last 8 to 9 years, between 500,000 and 600,000 working-age people and children have left the country for economic reasons. Bulgaria's over-60 population is the second highest in Europe. In 1995, 24.5 percent of the population was more than 60 years old; by 2010, this proportion will increase to 28.8 percent as the overall population decreases to 7.5 million people. At the same time, the number of children aged 0 to 19 will decrease from about 1.6 million, or 19 percent of the population in 1995, to below 1.1 million, or 14 percent, in 2010 (NSI 1995, 1996, 1997, 1998).

In academic year 1998–99, 3,680 centrally and locally maintained schools were in operation. These included 2,986 general education schools, of which 466 were elementary schools (grades 1–4), 1,940 were basic schools (grades 1-8), and 580 were comprehensive schools (grades 1–12) and gymnasia (grades 8–12). In addition, there were 500 vocational schools and 200 schools for children with special needs. The overall student population in grades 1–12 was 1,104,236; this was down from 1,137,000 in 1997–98. The number of students has steadily declined during the last several years and will continue to do so in the medium term. Therefore, schools are closing. In 1998, approximately 140 schools were closed; more than 95 percent of these were in villages.

II. The Education System Today

Personnel[3]

Teachers and principals are employed either by the MES, municipalities, or private school owners. The MES employs approximately 20,000 teachers in the 700 schools (mostly schools for children with special needs, vocational schools, and 20 large regional or national gymnasia) that it funds. Municipalities employ 65,000 teachers (approximately 20,000 in rural areas) in the 3,000 schools they fund. Only 90 schools have been created and funded directly by private owners or maintaining institutions.

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[3] All data in this section are taken from NSI (1999), covering the 1997–98 school year.

Employers pay teachers, but the central government sets salaries. Municipalities are authorized to pay bonuses of up to 20 percent, based on locally approved criteria such as merit. In practice, there is no money to pay merit raises, making length of service the primary and virtually sole salary criterion.

School principals are responsible for daily operations. Theoretically, they can hire and fire teachers, but staff size is centrally regulated based on the number of classes. In fact, principals rarely fire teachers for either poor performance or disciplinary problems because of the complicated appeals process. A school principal thus has very few ways in which to influence teachers. Only a qualification class awarded by teacher training institutes at the end of special training courses differentiates among teachers, but qualifications are not directly linked to performance and bring only negligible salary increases.

Until recently, the MES appointed principals after an open competition. The 1998 amendment to the National Education Act gave inspectorate heads the right to appoint school principals on the same competitive basis. A special committee, chaired by the head of the inspectorate and including the representatives of central and local authorities as well as other teachers at the school in question, evaluated these competitions.

A school principal is guided by the curriculum and the national calendar, which is an annual list of mandatory educational activities prepared by the MES. The principal prepares an annual school educational agenda and presents it to the appropriate funding institution and the inspectorate. This document then becomes the basis of a schedule of daily activities overseen by the funding institution and inspectorate, whose main responsibility is to verify school compliance with education regulations.

Teachers must have a minimum of a bachelor's degree. Existing regulations provide for permanent teacher training at national, regional, local, and school levels. The three national teacher training institutes have a monopoly on in-service teacher certification and award qualifications. Although these institutes were once independent, they are now separate units integrated within three different Bulgarian universities. They are considered university faculties and benefit from the Higher Education Law, making universities autonomous. They therefore have their own budgets within the overall university budgets, based on funding for teaching salaries and for costs related to courses accepted by the elected University Academic Council and approved by the MES. Until 1996, the MES directly provided these budgets under procedures that differed from other university departments, whose budgets are defined directly by Parliament. From 1997 on, however, the budgets of the three teacher training institutes have been an integral part of their respective universities and are similarly regulated.

The same teacher training departments at the universities that provide preservice training also provide in-service training. Nongovernmental organizations and international educational projects provide some in-service training, especially in vocational education. However, these are not diploma-granting courses, and participants must bear the costs.

School principals and inspectorate experts are responsible for monitoring and evaluating teacher performance, but no performance evaluation criteria exist for teachers or students. Monitoring is now done through classroom visits and verification of documentation reflecting a teacher's activities.

Curriculum and Educational Standards

Until now, the MES has been responsible for developing the mandatory curriculum while electives have been designed by teachers and approved by school principals or educational inspectorates. According to the new National Curriculum Law, the compulsory curriculum constitutes approximately 50 percent of all class time; compulsory electives covering the other 50 percent will be developed locally, along with free electives.

The curriculum law stipulates creating national standards for learning content and for assessing student achievement; these are created by working groups appointed by the minister of education, whose members are proposed by MES experts. Currently, no structured system for evaluating national education needs exists. The general academic community and pedagogical interest groups guide whatever evaluation there is. Efforts have been made to change the situation, especially in vocational education and training (VET). The processes currently under way include reshaping the law defining school types, education cycles, and curricular frameworks.

Teachers have no standardized tests with which to track student achievement or to diagnose their learning problems. The term "standardized" even generates misunderstanding. All student assessment is school based and is conducted solely by the subject teacher. Peer teachers participate in school assessment commissions to assess matriculation and remedial exams.

Textbooks and Learning Materials

Textbooks and learning materials are related to educational degrees as defined by the National Curriculum Law. Thus far, primary school textbooks (grades 1–8) have been distributed free of charge, and upper school textbooks are sold to students. As of academic year 1998–99, all students, except a very limited number of the poorest students, will have to purchase their own textbooks after the first grade.

Textbooks must satisfy national standards defining minimum student achievement. The MES develops criteria and standards for textbooks and other learning materials, and—after defining the textbook parameters—announces a competition, approves manuscripts, and carries out bidding for textbooks, although it occasionally bypasses the competition. Equipment criteria and standards should be developed by the MES together with the Health Ministry, according to Bulgarian state standards.

Textbooks, learning materials, and equipment are produced by independent publishing houses and firms that compete for the education market. The ministry approves these textbooks, and teachers select from among them.

School Infrastructure

The MES is ultimately responsible for opening and closing schools and changing their status, basing its decisions on evaluations and proposals from the inspectorates and municipal councils. Each year, local authorities propose changes to the local school network, depending on their educational budget, on the regulations for class sizes and the size of the teaching staff, and on demographic forecasts. Schools can also initiate a procedure to change their status. Local counselors discuss and vote on the project, the educational inspectorate evaluates it, and the Collegium of the Ministry (the ministry's collective governing body) then presents and discusses it on the basis of ministry experts' judgments. After approval, the MES issues an order to open, close, or transform a school. The order is published in the state journal, and the school is included in or deleted from the National Register of Schools. For centrally governed and maintained schools—mainly vocational and professional schools, schools for special-needs children, and homes for children and adolescents (that is, boarding schools for orphans or neglected children)—these decisions are made at the request of financing bodies, and MES expert groups make evaluations.

Until recently, municipalities have not been involved in planning, building, or maintaining vocational/technical schools, thus limiting local initiatives for vocational education. This situation changed recently when municipalities began to run vocational/technical schools, with some limited exceptions (that is, all but a very few special schools that are financed directly by the ministry).

Enrollment

At the primary level, enrollment is determined by parental choice (that is, the parents have the right to apply to any school to enroll their children), but each school, according to its capacity, must first satisfy the wishes of children living in its neighboring areas. Enrollment planning procedures differentiate among schools: general schools/classes with no entry exams, general schools/classes with entry exams, and vocational/technical schools with or without entry exams.

All secondary schools develop their own enrollment plans for the following school year. Plans must be coordinated and endorsed by the municipalities and are then submitted to the regional inspectorates for expert appraisal. At this stage, the planning procedure takes two different routes. For the first group of schools (the general schools/classes without entrance exams), the inspectorate is the source of final approval for enrollment plans. For the remaining two groups, the inspectorates prepare expert opinions for each school case and pass the enrollment plans on to the ministry. After approving them, the ministry issues an ordinance, called a School Enrollment Plan, that contains the names of schools and the number of classes for each profile or profession. For all secondary schools/classes—general or vocational—that enroll students after grade 7 (with an intensive foreign language teaching program), there are compulsory entry exams. The exams campaign is organized each year following a regulation procedure, determined with an MES ordinance. All information about examinations and enrollment procedures is available from the inspectorates and is published in a specialized press by the ministry. The rest of the general and vocational schools/classes that enroll students after completion of grade 8 (basic education level) can determine their enrollment by defining their own requirements, such as centrally/locally prepared entry exams or, more frequently, rankings based on registered educational attainments.

Quality Control

Formal, highly centralized quality control is made by inspectorate expert visits during which school documentation and classrooms are verified and checked. The school principal also monitors quality, but has no right to evaluate.

Student achievement is recognized as a basis for judging quality, yet, while the ministry has attempted to monitor student achievement at the end of different grades, the results have become a subject of debate. No national monitoring system makes school results public, making it difficult for local authorities or the public to participate in quality control. There are no indicators with which to judge the quality of work by its results. Moreover, even the limited control exercised by the inspectorate and school principals is undercut by insufficient financing and the limited number of regional inspectorate experts.

Financing

Table 3.1 presents financial data on the amount and share of gross domestic product (GDP) devoted to education in Bulgaria.

Elementary and secondary education are financed from the MES or other line ministry budgets, with local contributions from municipal budgets, school resources, or donations. Until the 1998–99 school year, vocational schools were financed directly from the state budget through the budgets of the MES and other line ministries and administrations. With the 1999–2000 school year, financing mechanisms have begun to be decentralized in order to move vocational schools toward municipal financing and away from the MES budget so that their financing system resembles that of other municipal schools.

The approximately 3,000 municipally financed and maintained schools form the bulk of the schools in the system, and these will increase in number. A municipal budget is financed by municipal incomes and from the state subsidy. For fiscal year 1999, municipal incomes average about 65 percent of all municipal budgets; the state subsidy accounts for the other 35 percent. These proportions vary substantially depending on the wealth of the municipality. In very poor municipalities, the state subsidy can account for 80 percent of the budget; for richer municipalities, such as Sofia, Plovdiv, and Bourgas, it is close to zero.

The state budget subsidy for each municipality is calculated annually using a complex formula that includes some education indicators, such as numbers of classes and students. Municipalities receive a state budget subsidy in a monthly lump sum earmarked for education, health care, social security/services, and culture. Within the state budget subsidy, education constitutes about 25 percent of all expenditures. In most municipalities, educational expenditures average between 28 and 38 percent of the whole municipal budget. The municipal council votes on an annual budget and determines how funds are to be distributed. In recent years, according to Adkins (1999),

Table 3.1. GDP Devoted to Education

	1992	1993	1994	1995	1996	1997
GDP[a] in billions of US$	8.6	10.8	9.7	13.1	9.9	10.2
GDP per capita in US$	1,008	1,276	1,147	1,559	1,189	1,227
Education budget as % of GDP	6.06	5.74	4.51	3.99	3.26	3.98
Education budget as % of total expenditures	13.73	11.42	10.02	9.20	7.31	8.76

a. At price and exchange rates for the respective year, without taking inflation into account.
Sources: National Statistics Institute data; Ministry of Finance data.

between 60 and 70 percent of all educational budgets in the country are spent on salaries.[4]

Municipal schools do not define or control their own budgets. All funds go from the united municipality accountant's office on a per activity basis, which limits schools' capacity to mobilize funds from other sources. Complementary financing by benefactors or participation in international projects depends primarily on a principal's contacts and abilities and is more the exception than the rule.

In the current economic environment, school powers will have to grow, and the units within the system of national education will have to pursue opportunities to increase their own resources to offset declining budgets. To create the requisite conditions for decentralized financial management of secondary education, the Council of Ministers approved Ordinance No. 30/9.2.98, giving public schools and units in the Nesebar, Kyustendil, Blagoevgrad, and Silistra municipalities the right to prepare and manage their own budgets. The clear intention here is to gradually increase the number of municipalities applying the delegated budget pattern until all municipalities and schools are involved.

III. System Problems: An Analysis[5]

As a system in transition, the education sector in Bulgaria experiences unbalanced allocations of responsibility and authority, along with weak accountability mechanisms.

Local Authorities, Inspectorates, and School Principals

For the system to be managed effectively given the current distribution of power among the local authorities, school principals, and educational inspectorate, considerable coordination is necessary. Unfortunately, successful coordination is more the exception than the rule. Although the Bulgarian education reform specifically targets decentralization, local authorities participate only to a very limited degree in decisions concerning educational quality, despite the fact that they finance and maintain schools. Indeed, they have neither legal access to the results of inspectorate quality control exercises nor the proper tools to influence schools.

Large municipalities have more money, time, and people to allocate for education and a far larger field for maneuvering than do small municipalities, despite their legal equality. However, few real accountability mechanisms ensure the proper allocation of the education budget among different functions. Given a general lack of a real educational management culture and awareness of the importance of activities, such as teacher training or the provision of education materials, financial decisions by local authorities may be creating serious quality problems.

A school principal must defend school policy mainly to the local authorities, which control school facilities and equipment as well as critical information concerning student and teacher numbers for all schools they finance. A principal develops curricular policy only for electives, which account for 10 percent of the curriculum at most, and can make decisions with the school pedagogical council on a school's orientation. However, the local municipal council must accept every proposed educational activity, such as early foreign language teaching, and the inspectorate must then approve the decision in a largely formal process. Paradoxically, surveys show that school principals see their management role as assuming and carrying out responsibilities rather than as providing links in the governing system. Their primary problem is juggling their very different managerial and pedagogical functions.

Educational inspectorate experts see themselves as the weakest and most vulnerable links in the chain, rather than as mediators between rules and competencies. They are inclined to avoid responsibility rather than consider the specifics of a local situation, largely because their formal rights and real possibilities simply do not match, and partly because insufficient budgets prevent them from carrying out their quality control activities. The lack of coordination between inspectorates and municipalities may lead to a sense of impunity among school principals.

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[4] A subject of concern is whether loose accountability procedures allow local governments to report spending categories inaccurately. For example, municipal figures for 1997 indicate total spending on teacher training of 56 million Leva (1 BGL = DM). This contradicts the perception of a majority of school principals and municipal educational specialists interviewed who complain of very limited or nonexistent budgetary resources for teacher training. It is also not consistent with data provided by the three teacher training institutions.

[5] This section benefited from a January 1999 survey of 10 municipalities and 30 schools (one elementary, primary, and general secondary school per municipality). Interviewees included 22 school principals, 10 heads of municipal educational departments, and 7 heads of educational inspectorates.

Most of the players in this triangle are unaware that they have a role to play together and traditionally remain separate. They each consider themselves a starting point in the decisionmaking process rather than a link. Informal relations are very important in these processes, which create a certain reticence to reveal networks and situations where actors assume more responsibility than they can bear. The enormous efforts required to resolve basic problems have overwhelmed the players, who eschew decisionmaking and who prefer either to leave responsibility to higher levels or to ignore problems altogether.

Parental Participation

Although school autonomy is widely recognized as a cornerstone of educational reform that must involve parents in school management, parents participate only symbolically in school life. This is due largely to outdated stereotypes of schools as being virtually solely responsible for educating children. Every school is required to have a school board, although not every school does, and school principals are not sanctioned for failing to have them. Where they do exist, school boards play only an advisory role.

School boards may be registered as juridical entities with bank accounts that can receive funds from personal grants, sponsorship, or any other form of voluntary financial aid, although the board does not fully control these funds. For example, it cannot use them to raise a teacher's salary. Parents therefore have little incentive to join school boards and usually prefer to enroll their children in prestigious language or technical schools rather than in the local schools where the principals make them feel unwelcome. Consequently, much of the decisionmaking power in school is in the hands of the school pedagogical council, which, in coordination with the principal, acts as a professional and unopposed teachers' body.

New, elected community educational boards will be formed, with elections at the beginning of every school year. These boards are viewed as linking school boards and local authorities and may eventually hire school principals. These boards could provide other, more indirect, channels of participation for parents.

Teacher Training

Changing the educational system requires changing the training and retraining systems. The three national teacher training institutes are monopolies with their activities and curricula determined neither by teachers' real needs nor by central educational policy. They are not monitored or evaluated by any educational authorities, which makes it impossible to assess the true utility of the training. They are centrally funded and receive the greater part of local funds allocated for teacher training. Consequently, regional-, local-, and school-level teacher training services are not being developed. Because training is not directly linked to promotions or salaries and does not influence educational or professional status, teachers have little interest in it.

Principals consider the teacher training system to be obsolete, unreliable, and heavily influenced on occasion by special interests. Inspectorate and municipal educational administrators describe it as dysfunctional and badly in need of change. The system stands outside of the school-municipality-inspectorate triangle, and its financing is influenced by informal and nontransparent interests and rules.

Vocational Education: A Special Case

Until recently, all vocational schools were state owned and financed by the MES. As of the year 2000, however, vocational education is evolving, in terms of financing and maintenance, in the direction of general education.

VET problems primarily center around the lack of any unified system of criteria and indicators for evaluation and the absence of a body for accrediting institutions offering VET services. This gives many public and private firms the option of organizing different forms of VET and of certifying graduates without proper input and output control—often resulting in underqualified workers. Despite the coordination and good cooperation between the MES and the Ministry of Labor and Social Policy, the current situation allows for double standards for obtaining qualification in a given professional field.

There is clear proof of a shift from traditional occupations to new ones. Up to 50 percent of the current vocational training of certain skills may have to undergo profound changes, which will create a global, unavoidable problem for the Bulgarian VET system that will have to be addressed at all levels of government.

The MES and the National Statistics Institute have created a working group that has developed a model to determine VET needs in Bulgaria and that will be used to optimize the VET school network at national, regional, and community levels. For example, the model will be applied to analyze the causes of unemployment as evidenced by a surplus of workers in a particular profession.

Another VET school problem that characterizes a transition economy is related to practical training in enterprises. The social partnership here occurs only occasionally. Most employers that are struggling to survive are uninterested in VET problems and have neither the means nor the incentives for long-term human resource planning. This offers governments at different levels an opportunity to promote that part of industrial policy concerning proper vocational training of human resources.

Optimizing the School Network

How can the current school network be optimized? This question engenders the main controversy surrounding the education system's finances and effectiveness. Declining birth rates have already affected the school system, but the greatest impact will be felt in the coming years.

Every child is a national treasure, especially because a dwindling population makes human resources scarce. At the same time, the worth of human capital is increasing, along with the role of education, in a century of knowledge and information production. Every nation therefore considers education a basic condition for prosperity. As the population drops, however, the size and capacity of the school network shrinks, which threatens educational quality and accentuates inequities. How can school networks be restructured to avoid lessening the quality of education and related services? How can restructuring improve them?

From the intergovernmental point of view, the contradiction is embodied by local and central authority conflicts around closing and opening schools. The conflict sharpens with the assessment of strengths and weaknesses. Local authorities see a vocational school as a tool for local economic revival, and the center sees too many schools preparing for vocations with little future. Too often, even now, when the ministry decides to close a particular vocational school, the local community finds ways (usually through their member of Parliament) to reverse the decision. The same situation occurs often in small or remote places where closing a school signifies the end of the local community that considers the alternatives ex post facto justification of a prior decision.

Optimizing the school network should not infringe on educational quality and equity, that is, on making educational opportunities available on the basis of such educationally relevant criteria as giftedness, aptitude, and hard work rather than geography, money, or connections. However, local authorities must take this position themselves, and broadly acceptable solutions must be found.

Education Standards and Accountability

The explicit desire for a transparent, accountable educational system runs counter to the general lack of criteria and indicators that could make educational results public and comparisons among schools possible. The need for national educational standards is broadly felt, yet there is no clear definition of such standards or any notion of how to produce or implement them. Developing standards requires defining educational goals, articulating them in an outcome-targeted manner, and obtaining a wide base of social agreement about the major general and specific goals of education. Standards measure how well goals are being achieved. How else can measurable effectiveness, efficiency, and cost-related tradeoffs in education be addressed? Standards have implications for resource investments, measurement, and evaluation of educational effectiveness and efficiency. A society in transition evolves slowly; old and new goals frequently coexist and evolve in different directions, reflecting different educational paradigms.

Two problems arise concerning the distribution of responsibilities. The first concerns allocating responsibilities for maintaining and verifying educational standards after they are in place. How will the different governmental levels coordinate information gathering and decisionmaking? The second concerns the role of local authorities in developing and implementing standards. Will there be regional and central standards, and, if so, how will they be related to one another?

It is very difficult to address these problems before standards are introduced and before data exist on which to base discussion. Besides a system of standards, a system for governing their use is also needed to ensure that every level is aware of its responsibilities and rights.

IV. Recommendations

Reforming the education system to make it more effective in pursuing objectives of equity, efficiency, and quality will require a realignment of functions among participants. Currently at the school level, principals and pedagogical councils share most of the executive and decisionmaking power, but school boards, where they exist, have only advisory functions. Reversing this pattern will involve giving decisionmaking power to the principal and the school board and all executive power to the principal rather than to the pedagogical council, whose power would be limited to curricular decisions. Because the teaching staff that forms part of the council tends to act as a self-interested union, policy issues need outside opinions and monitoring to ensure that the interests of all involved are addressed.

These steps should strengthen the principal's executive power and should move the school toward real community control and involvement. Reducing the decisionmaking power of the pedagogical council and transferring real power to the school boards should make school policies more responsive to and appropriate for the dynamic changes in the school environment. This in turn should create an equilibrium among key school stakeholders, schools, parents, employers, and the local community. Last, but not least, students should become more involved; classroom dialogues and cooperation can grow as power shifts away from the pedagogical council.

Another aspect of this realignment involves giving municipalities more managerial authority, for example, the right to hire and fire school principals. However, this needs to be matched by stronger accountability mechanisms, which may require combining methods of school control and monitoring used by the inspectorates and the municipalities.

Given the uncertainties surrounding the impact of current municipal budgetary decisions on educational quality, there may be a need to target and promote spending on a few budget items, such as in-service teacher training, educational technology, or the provision of foreign language and civic education. One possible approach is to earmark specific percentages of the per capita financing for these purposes. This earmarking would have to be accompanied by stronger sanctions against municipalities where the educational budget performance is poor and respect is not given to annual audits. A second approach is to give municipalities financial incentives to offer support for educational quality and related issues.

In either case, central funds will be needed to support municipal projects. These mechanisms will require flexible and adequate coordination and negotiation between the MES and the Ministry of Finance. Priorities should be established and revised periodically. Specific regional priorities can also be included on the basis of regional educational policies and needs. Earmarking will wane as municipalities' educational management culture, awareness, and expertise evolve, and the issues become a regular part of municipal budgets.

Increased accountability will require the means to mobilize community support, for example, through well-informed campaigns about municipal education performance. Schools and parents will need precise information, knowledge, and understanding of annual, centrally approved funding for their municipality. Information should be comparative, using neighboring or other competing municipalities, and should be based on standardized criteria.

As local participants become more powerful, the regional inspectorate would be the primary source of professional expertise and advice and, at the same time, would ensure state policy, standards, and requirements. It should have indirect, consultative, and coordinating power for territorial administration. As the expertise, experience, and understanding of the key participants gradually increase, operational management and decisionmaking can be left to the school. The MES should support education rather than directly run it. This very complex process requires many new types of activities—or existing activities performed very differently—including information systems; assessment and evaluation systems; output standardization and measurement, rather than input and process monitoring; and new quality control systems.

The planning, design, and implementation of reform mechanisms must be strategically organized. An MES strategic policy unit could be created to address reform issues. It would undertake the research, analysis, system monitoring, and different kinds of evaluation—including cost-effectiveness studies—required to support policy and would have the trained staff, international assistance, and communication and information technology facilities to deal with comprehensive databases.

Restructuring the In-service Teacher Training System

Bulgaria needs a contemporary, flexible, customer-oriented, and dynamic in-service teacher training system that is responsive to educational needs and is decentralized to allow an educational services market to develop effectively in terms of educational outcomes. It should ensure quality control based on performance and accreditation of in-service delivering units, rather than on administrative measures and appointments, and should stimulate teachers to participate and should also require them to maintain a minimum level of state-defined ongoing in-service activities.

The system should have several qualification levels based on accumulated in-service credits from short-term courses and programs, including compulsory and optional courses with outcomes defined in terms of knowledge, skills, and teacher competencies. Each program would lead to a certified examination. A national in-service framework curriculum should be designed by subject and cross-curricular themes and should be closely related to a national school curriculum and standards.

A cascade model of training might be a cost-effective alternative. A network of methodology teachers would bring training activities to regions, municipalities, and schools to disseminate new teaching methods and practices to improve teaching. This process has already begun in foreign language teaching and will continue in other subject areas. Networks will also develop as a result of the improved dissemination of new teaching methods.

Training and certification must be independent, which can be accomplished by creating an independent national in-service accreditation agency for teacher training programs and services. An independent, national in-service examination body, with a few full-time administrative employees, should be created to examine, assess, and certify teachers for different qualification levels. Exams could be organized in sessions, and a pool of examiners could be made available for particular sessions. The current legislation that entitles central teacher training institutes to teach and certify teachers should be completely abolished.

An appropriate information system should be developed to support these agencies and to make the necessary information available to customers. A performance-based rating of programs and services based on teachers' examination results in teacher training unit courses can be provided. A system of teacher qualification transcripts should be designed to document courses taken and to register corresponding credits and qualification levels.

Many teachers will need to be retrained in areas such as information technology and knowledge-related services, education and training technologies and related services, human resource development, communication, office skills, and social services. Unemployed teachers could be retrained; teacher training units could broaden the scope of their activities and could enter the growing area of knowledge-based, information-based, and educational technology-based services. Because the Ministry of Labor and Social Policy oversees dedicated social programs for coping with unemployment, a cost-effective joint unemployment program could be developed between the two ministries. In any case, a realistic teacher promotion system should be developed based on acquired qualifications and classroom results. The system must lead to considerable salary benefits and better career opportunities.

Accredited training units should compete to provide services. Assessment criteria could be based on several indicators, such as performance rating list, unit evaluation results or characteristics and capacity, service usability and customer convenience, geographical allocation, delivery, program costs and customer expenditures, and so forth. If public money is to be used effectively and efficiently, the system can no longer be based on a central allocation of funds to an administratively appointed institution. If any in-service institutions or units must be maintained, quality control and accountability mechanisms must be very strong, and, where possible, market-like behavior and workstyle should be imposed.

Municipal and school resources would be the primary source for the required minimum ongoing teacher training. Resources would come through the regular municipal education budget for teacher training and might be earmarked. The MES budget should provide a second source of funds and could address such priority national needs as new curriculum, standards, and programs; national educational priorities (foreign languages, information and computer technology, and so forth); and state teacher training structures (agencies, commissions, national councils, examination boards, and so forth). Grants might be used for approved projects for personal development in new teaching areas, pedagogy, classroom practices, and innovative practices.

Improving Vocational Education Through Institutional and Industry Collaboration

The VET Act stipulates the creation of a national VET agency as a juridical entity financed by the state budget. Its responsibilities comprise a wide range of activities related to accreditation, licensing of VET and career guidance centers, and advice to the MES on issues concerning the development of state educational requirements for professional qualifications. This agency will be similar to many organizations established in European Union countries that have had a positive influence on their VET systems. After the agency is operational, it can be assessed and improved.

VET planning must consider labor market changes and regional trends in the workforce structure. We recommend a national unit, established jointly by the MES, the Ministry of Labor and Social Policy, and the National Statistics Institute, that integrates the data and approaches used in Western Europe and other industrialized nations for determining VET needs. The MES will supply data about schools and their graduates, the National Employment Service will supply data about the structure of unemployment and unoccupied workplaces, and the National Statistics Institute will supply data related to the situation in different professional fields. Unit members should have current information about the best international practices in labor market analysis, particularly in VET needs and prognostics.

Different levels of government must do everything in their power to make the social partners aware of their responsibilities toward those in vocational schools and toward the VET system as a whole and to look beyond their particular short-term interests. They should take an active part in shaping policy aimed at resolving the serious youth unemployment issue and should offer jobs and incentives for vocational school graduates.

Dialogue and cooperation between employers and local educational authorities must be generated. Employers could play a vital role in ensuring students internships that could complement their school training. They should be involved in VET curriculum development, ensuring the quality of training at the workplace. Issues concerning financing practical workplace training could be negotiated by these bodies as well. Available funding should be directed to those employers that can deliver practical training in accordance with school standards.

Optimizing the School Network

Changes in the school network must guarantee that educational goals are reached effectively, that human and financial resources are efficiently used, and that schools continue to serve their communities. The vocational school network has specific problems related to demography and to converting a system of professional qualification and training to a contemporary, open market economy.

Criteria for optimizing the school network must be centrally established and regulated, but decisions should be left to the local authorities. This issue has to be made public, and the decisions must be prepared in conjunction with scientific institutions, trade unions, employer organizations, and other concerned groups. Social issues, which could be seriously affected by network-related decisions, must be taken into account.

Implementing programs to optimize the school network will depend on the new Territorial Division and Local Administration Law. Studies and local pilot projects could be conducted by local and central authorities to see how other types of education might help classical forms of education in remote and rural areas. Solutions could include reorganizing schools with dispersed structures, boarding schools, distance learning, and so forth. Some of these would clearly require a new model of coordination and partnership between local authorities and the inspectorate and would redefine the pattern of educational work.

As the national school network is rebuilt into a three-tier system—community, region, and state—new state educational requirements must be introduced.

Some bear directly on the school network, and others affect or are affected by school network problems.

Every effort must be made to keep elementary schools (grades 1–4) open. Children with special educational needs are typically isolated in special schools that become a subnetwork. School network policy should be oriented toward gradually integrating these students into the mainstream.

Introducing National Educational Standards

Introduction of state educational requirements, or standards in education, is an important vehicle for improving educational quality. As educational standards are developed, a deliberate social debate and intensive work on the major general and specific educational goals of school education in Bulgaria must be launched. It could begin by assessing needs, starting from desired outcomes and moving through outputs, products, processes, and, finally, system inputs. Assessment and examination must be more thoroughly addressed, and a special policy must be designed and implemented as part of ongoing changes in the educational system.

Curriculum developers need special training. The training program must be developed jointly by the MES, foreign partners, Bulgarian educators, and concerned educational institutions.

The general move toward decentralization of the education system suggests different types of school accreditation. This may vary by purpose (such as optimizing the school network, conducting periodic evaluations, opening, restructuring, or closing schools, and so forth), type of school (professional and vocational schools seem to need and insist on more formal and firm accreditation procedures and mechanisms), and subject (such as school infrastructure and facilities, correspondence between services and state requirements and standards, educational quality, teacher qualification, and so forth). Accreditation must be a national undertaking. It coud be carried out by the ministry alone or with special accreditation bodies, the inspectorate, and the municipalities. Accreditation should be based on criteria applied equally to state, local, or private schools.

An information system for accreditation procedures should be established to serve MES top management; concerned state authorities and ministries; parents and students; the education inspectorate, local authorities, and communities, school authorities and staff; and society at large.

The National Institute for Education, which must become more independent, should play more of a role in curriculum development, assessment, and evaluation and should work on state educational requirements. Its statute must be developed under the provisions of the Higher Education Law.

Valid, reliable, and objective assessment of student achievement is a prerequisite for proper certification and monitoring. The Center for Evaluation and Assessment of the National Institute for Education needs more staff and resources; existing staff must receive proper training.

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4. Czech Republic

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I. Introduction

At the end of 1989, the Czech and Slovak Republic abandoned its highly centralized government and began a process of transition to a market economy and a democratic political system. The period after 1989 was one of political, economic, and social change during which the government sought to define the most appropriate form of state administration and self-governance. Not surprisingly, much political debate took place concerning the roles and responsibilities of different levels of state administration and the definition of intergovernmental roles. This debate has continued since 1993 in an independent Czech Republic.

In early 1998, the Czech Republic was divided into 14 self-governing higher territorial units, or regions. These regions will begin to function in the year 2001. They add a level of administration to the current structure of 86 districts and 6,200 municipalities. Their creation naturally means redefining administrative responsibilities. In addition, as the Czech Republic prepares to enter the European Union, the government must focus on the establishment of adequate regional structures because of European Union regional policy and the allocation of European Union Structural Funds, especially in the area of human resources development. Education systems, the subject of this study, may constitute a significant component of these funds.

This study focuses on basic and secondary education. It considers the evolving social context and changes at all levels of the school system and discusses the impact of the new regional units that are expected to transform management in the Czech Republic substantially. The objective is to clarify the relationship of regional administration to education as part of the transition process. These issues were discussed at a special seminar in the spring of 1998 entitled "The Influence of Formation of Regions (Higher Territorial Self-governing Units) on Education Sector Management." At the seminar, approximately 90 top officials and specialists from the Ministries of Education, the Interior, Labor and Social Matters, Agriculture, and Regional Development met with representatives from school offices, school associations, pedagogical faculties, the Association of Employers, educational research organizations, departments of higher education institutions specializing in regional administration, and trade unions.

Like the education system in many European countries, the system in Bohemia, Moravia, and Silesia (the present Czech Republic) was defined in the 19th and 20th centuries as a highly centralized, state-dominated one. At the end of World War I, Czechoslovakia became independent, and its education system was democratized. School councils, or regional bodies, were created along with school administrations that included teachers and parents, interest associations, and professional teachers' organizations. Also, more opportunities for professional training became available. In 1939, however, Nazi occupation brought an end to this democratization. After World War II, Czechoslovakia was subjected to Communist totalitarianism, with the democratic experience ending again—for a time at least—in 1948.

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The study reflects the state of affairs as of the middle of the year 1999. Since that time, some substantial changes have taken place in the state administration. New regions were created; these will become operational in January 2001. Educational departments of the regional administration will be created at the same time, and the existing school offices that are connected to the Ministry of Education will gradually be abolished.

The first transition period, from 1990 to 1994, was driven by the general context of macrosocial and macroeconomic transformation and was fraught with conflicts. The heart of the opposition was whether education management should be centralized or decentralized, whether there should be complete or incomplete control of supervisory bodies, and whether the central government should keep its authority or if schools and teachers should become more autonomous.

After the democratic turnover in 1989, many changes in the system of education emerged. From the viewpoint of educational administration, the schools became more independent. With the dissolution of the previous regions, the regional level of educational administration disappeared. Today, the Czech Republic is looking to developed countries for models for its own education system and the legislation governing it.

The educational legislation was amended in 1990 and 1995. Within these amendments new management norms were defined.The system was depoliticized (that is, its ideological orientation toward Communist policy was removed). The new legislation introduced sectoral—or professional—management and made the Ministry of Education, Youth, and Sports and other central ministries responsible for education. This was a change from the previous situation in which regional and district national committees, overseen by the Ministry of the Interior and the Communist Party, managed the education system. With these reforms, education was separated de facto from public administration and self-governance. Additionally, sectoral management strengthened some of the centralizing trends of school management and administration through newly established district school offices.

Schools obtained greater managerial responsibility in this system. The central government, however, did not modify its management style sufficiently or effectively enough in response to the changes, but some grants provided by the Ministry of Education, Youth, and Sports and the implementation of development programs and funds (EXTRA, EU Phare programs, and so forth) bore witness to some indirect management. At the end of 1994, the ministry undertook several important new projects on information and evaluation systems, and it also clearly defined the relationship between the central government and the education sector, including specifying an approach to nonstate schools. Consequently, state educational bodies became more efficient guarantors of educational quality.

Many dissatisfied teachers, who were quite active in the process, criticized the totalitarian education system. Other teachers, however, resisted applying market logic to education. Many nonstate schools were established, satisfying much of the demand created by the gaps in public education services, particularly between 1990 and 1994. The number of nonstate schools increased largely because of the unsatisfied demand for upper secondary education opportunities and because of the introduction of per pupil financing by the state. New attractive study fields were created, which promoted competition among schools.

There was a significant turnover among education administrators, especially among school principals. Between 1990 and 1992, almost the entire education management and 75 to 90 percent of school executives were replaced. Experienced, capable teachers, although they did not receive the necessary management training, were named to most managerial positions, including within the Ministry of Education, Youth, and Sports and the Czech School Inspectorate. In 1994, the program, objectives, principles, and strategy of an education policy began to be set in place.

The second phase of the transition began in early 1995. Evaluation and regulatory mechanisms were slowly integrated into education management, giving it some stability, but the education sector still needed improvement. Organisation for Economic Cooperation and Development (OECD) experts analyzed education policy and made many recommendations (OECD 1996), including a proposal for a National Education Council that would bring together all interested partners at the national level and a Vocational Education Council. Creation of the National Education Council has already begun. The organization, contents, and quality assurance for vocational education were examined and evaluated through the Phare-VET (Vocational Education and Training) Program.

The 1995 amendment to the Act on State Administration and Self-administration in the Education Sector made it possible to create a school network (official register of schools by the Ministry of Education). Previously, new schools and study fields were registered without ministerial evaluation. The amendment made it possible to define school functions and to regulate the power of school principals.

During this transition phase, it became clear that in-service teacher training; information systems; and the use of financial, evaluation, and economic instruments to improve decisionmaking and the effectiveness of the overall education system also needed attention.

II. Actors and Functions: The Current Czech Education System

The current educational administration system includes school and educational facilities and principals, municipalities; school offices; the School Inspectorate; the Ministry of Education, Youth, and Sports; the Ministry of Agriculture for agricultural education; the Ministry of Defense for military education; and the Ministry of the Interior for police education. Between 1993 and 1996, the Ministry of Economy was responsible for preparing apprentices.

The Ministry of Education, Youth, and Sports

Today, the Ministry of Education, Youth, and Sports manages all levels of the education system, most branches of vocational training, and all types of schools. It creates and runs state-owned secondary and special schools, hires and fires school principals, establishes the list of recommended textbooks, and subsidizes the purchase of textbooks. It defines human resource policies and is responsible for information systems, education evaluation, sports, and so forth. It has primary financial responsibility for education and distributes the lion's share of the approximately CZK 80 billion a year of the state funds allocated to education. (The Ministry of Finance plays a less direct role in the process, allocating CZK 1 billion to municipalities for education.)

The School Inspectorate

The School Inspectorate is a semi-independent review body operating in all 86 districts of the Czech Republic. Its mission is defined by the amended Act on State Administration and Self-administration in the Education Sector to improve education and school management at all levels, to verify that assets are efficiently used, and to ensure that schools comply with education regulations. The School Inspectorate cooperates closely with the Ministry of Education.

Under the Communist regime, school inspection was an important ideological and political instrument. The inspectorate was therefore completely replaced in 1989; new inspectors were selected through a competitive process from among experienced teachers but were not trained for their new role and had to learn their jobs in the field. In 1997, 415 inspectors were responsible for approximately 15,000 schools, or 1 inspector per about every 36 schools and several school facilities. Although the inspectorate has had some successes, including an evaluation of private education and higher professional education, inspectors sometimes focus too much on the formal aspects of school operations and on viewing themselves as supervisors whose primary mission is to highlight school insufficiencies. The inspector selection and training process and evaluation instruments, including criteria and indicators for assessing school activities and results, need refinement.

School Offices

In 1990, after the abolition of the former regional administrations, new school offices were created at the district level; these report to the Ministry of Education and link the central government with municipalities and schools. With a population of 10.5 million people living in 86 districts, this means that each district administration is responsible for approximately 120,000 inhabitants. District school offices represent the ministry and serve as the primary mid-level managers for preschool, primary, and, in part, secondary education, allocating state funds to schools and school facilities on the basis of enrollments, study fields, and levels of education. In 1997, school offices employed 2,229 individuals, or approximately 26 staff members per district. Office responsibilities are broad and include adding or eliminating schools created by municipalities, organizations, foundations, and individuals from the school networks (a procedure requiring ministerial confirmation); establishing some schools and school facilities; appointing or dismissing school principals for all facilities below secondary schools (the ministry hires and fires secondary school principals, and school offices oversee the procedure); and providing schools with economic, financial, and legal assistance and services, often on a contractual basis.

School offices have a complex range of tasks and relations with schools, municipalities, district offices, trade unions, employers, and other organizations. They also vary significantly in their understanding of their role and in the quality of their activities and work styles. Many offices take a democratic approach to school management and administration, encouraging school autonomy; others tend to be autocratic and create bureaucratic relations with schools. Some school offices simply operate the school facilities, and others attempt to create services, improve financial management, and enhance the efficiency of their information systems. Many school offices develop long-term education policy strategies for their districts, support innovative programs in individual schools, and develop activities for teacher training centers.

The Ministry of Education has increased the guidelines for and dissemination of good practices in school office activities during the last two years. It has created district programs of basic and secondary education development so that districts can support school innovation.

Municipalities

The Czech Republic has 6,200 self-governing municipalities, which are an important part of educational administration. The Act on State Administration and Self-administration in the Education Sector gives municipal offices and councils responsibility for creating preschools and primary schools and for ensuring compulsory attendance. In larger towns, they provide meals and after-school childcare for younger pupils, sharing the costs with the Ministry of Education and the Ministry of Finance. The state pays for staff salaries, textbooks, and teaching and learning aids. In addition, municipalities receive some financial support from state tax revenues, which, together with local fee-based revenues, help finance school maintenance costs.

Municipalities can monitor education quality and school conditions, and they can require that services be improved. In larger municipal administrations, special school departments or employees oversee education.

School Councils

School councils were not included in the original 1990 draft Act on State Administration and Self-administration in the Education Sector. Since 1993, however, interested schools have been allowed to establish and experiment with councils in school management, and, pursuant to the amendment to the 1995 Education Act, they can create school councils. These councils are composed of teachers, parents, and other partners. Councils have significant review powers connected to state administrations, school founders, and the Czech School Inspectorate. They can effectively influence fundamental decisions on school activities, but they do not intervene directly with the executive and decisionmaking powers of directors who are not council members. Creating and developing council activities will obviously be a long-term process and an important indicator of the changing relationship of the public toward education.

Besides these school councils, district school councils may exist. They are to represent all interested parties and therefore include equal numbers of municipal representatives (or other school owners), parents, and teachers. They ostensibly discuss the theory, conditions, and outcomes of education and of school office activities and can voice their opinions about school staff, financial management, budget allocation, and so forth. In those districts in which they have been established, school councils tend to play mostly a formal role as they are too far removed from schools to have a real impact on them.

School Administration

As of 1990, schools became far more autonomous, particularly with respect to administration, finance, and staffing issues. As schools have changed and have become legal entities, school principals have acquired more responsibility for the quality of the pedagogical process, financial management of schools, recruitment and dismissal of teachers, and relations with municipalities and parents. The Ministry of Education selects school principals of state-owned secondary schools on a competitive basis. Primary school principals are also competitively appointed by school offices in conjunction with the municipalities. In 1998, the minister replaced five-year competitions with four-year performance evaluations. School offices, the Czech School Inspectorate, and the school council evaluate directors after four years; when their evaluations do not concur, a new competition is organized.

Schools can choose to become legal entities, which brings them more independence. All state-administered secondary schools and all nonstate (private and denominational) schools have become independent legal entities, giving them administrative and financial autonomy; they can now better manage their assets. The assumption is that this autonomy will help diversify the education supply and education programs, as schools have some latitude for modifying the centrally prescribed curricula.

Primary and secondary school teachers are initially trained at institutions of higher education; kindergarten teachers are trained in secondary and higher pedagogical schools. In-service training is funded by special-purpose subsidies that schools can use at their discretion. Teachers can receive in-service training at the pedagogical faculties of higher education institutions or in special pedagogical centers, but schools may send their teachers to managerial, language, and other courses. School offices can also organize and finance teacher education courses.

Parents have some freedom in choosing their children's primary school. Where school capacities are limited, local children are given preferential treatment. Students can enter secondary school based on the results of the admissions procedure.

Establishing and Financing Schools

Most primary schools are established by municipalities, which cover 34 percent of the investment and operational costs of kindergartens and 37 percent of primary school costs. Municipal education budgets are based mainly on public resources from special subsidies from the Ministry of Finance (approximately CZK 1 billion a year) and on shares in centrally collected taxes. Local revenues constitute a very low percentage of these funds. Overall municipal contributions amount to 20 percent of the total education budget. Since 1989, the share of municipal funding in total education spending has decreased as direct state financing of education has increased. This pattern has not changed in recent years (see table 4.1).

Public secondary schools are established, operated, and funded by the Ministry of Education, Youth, and Sports. Municipalities create secondary schools only in exceptional cases.

Private or denominational legal entities establish nonstate schools that tend to have more autonomy than state schools. Nonstate schools have made a considerable contribution to the education system since 1990 and have helped satisfy the demand for a complete secondary education culminating in a school-leaving examination, or *Maturita*, a prerequisite for undertaking postsecondary education. The quality of private schools varies widely.

Since 1995, state contributions to nonstate schools and school facilities have dropped. Today, the state pays nonstate schools between 60 and 90 percent of the per pupil subsidy received by state-owned schools depending on the school level and type and some other formal criteria. Nonstate owners cover the full cost of investment in their schools. Nonstate schools may freely determine teacher salaries; in public schools, these salaries are determined by a state salary table. Nonstate schools may collect tuition fees from parents, which is an option forbidden to state-owned schools.

Vocational Education and Training

Before 1990, enterprises and cooperatives were largely responsible for practical, vocational training in apprentice schools where students learned skills that allowed them, ultimately, to work in the relevant enterprises.

Table 4.1. Education Expenditures, 1989–97 (%)

	1989	1990	1991	1992	1993	1994	1995	1996	1997
Education expenditures as percentage of GDP	4.1	4.1	4.2	4.5	5.2	5.4	5.2	5.3	4.7
Expenditures from state budget	20.5	20.1	53.0	73.9	78.7	80.4	80.6	80.3	82.5
Expenditures from municipal budget	79.5	79.9	47.0	26.1	21.3	19.6	19.4	19.7	17.5

Source: Institute for Information on Education data.

This relationship was largely a legacy of the Communist era when enterprises created schools, but the Ministry of Education developed curricula and syllabi for secondary professional and technical school study fields, general education curricula, and theoretical training in apprentice schools. Enterprise specialists and sectoral research institute specialists also helped develop study documentation defining their scope, content, forms, pedagogy, and textbooks. A state planning body determined enrollment quotas in individual study fields.

This situation changed after November 1989, when state enterprises were privatized or went bankrupt, and enterprise directorates were liquidated. Many apprenticeship schools were closed, and the schools that remained were consolidated. Enterprises largely lost touch with secondary apprentice and professional schools at this point, and the ministries became responsible for vocational preparation. So-called "state apprenticeship" was introduced (meaning state-funded apprentices unaffiliated with any employer). Beginning in 1992, most apprenticeship schools came under the responsibility of the Ministry of Economy, the Ministry of Agriculture, and the Ministry of Health. The Ministry of Education, Youth, and Sports assumed responsibility for some facilities. The relationship between education and business changed accordingly. The labor market was unfavorable, schools competed increasingly with one other for students, and many actively sought to cooperate with their graduates' potential employers. Several unsuccessful attempts at creating a central advisory or decisionmaking body such as the Apprentice School Council failed, and the effort was ultimately abandoned. In 1992, the government decided to delegate responsibility for apprenticeship schools to the Ministry of the Economy, which defined vocational preparation, determined the system of apprenticeship study fields, approved and issued basic curricula and syllabi, handled certain administrative responsibilities, and set financial norms. To promote interministerial cooperation in preparing apprentices and employers, professional groups were created to address vocational changes, requirements for curricular revision, and changes in the system of study fields.

Apprenticeship schools were separated de facto from the education system as a whole. Notwithstanding this complicated situation, the structure of study fields evolved, and secondary apprenticeship schools and secondary professional and technical schools were able to compete for students in a period of declining youth population. Private schools were established and very quickly corrected the education supply so that it corresponded to the spot needs of the labor market.

The links between vocational education and labor markets are strongest at the local level. In addition to the approved education programs, schools can propose their own programs, and they cooperate, often on a long-term basis, with labor offices, enterprises, labor unions and associations, and representatives of business associations. Cooperation means that employers participate in school bodies or that school executives and teachers have personal contacts with business representatives. Business is clearly interested in apprenticeship schooling, particularly because some enterprises have restored their own private schools or have provided for vocational preparation in their plant facilities.

The private sector does not yet contribute sufficiently in this area. Private apprenticeship schools account for only 13 percent of the total number of schools in the Czech Republic and educate only 24,000 apprentices, or less than one-tenth of the total. Business remains unable or unwilling to resolve issues such as targeted support to vocational education and training using allocations from the wage fund or tax allowances for sponsoring entities. They argue that their contributions to state employment funds, which are already quite high, are allocated to adult qualification completion and requalification, and that the education sector does not currently help finance continuing education. In the future, however, after they are adequately organized and influential, business associations are expected to be responsible for professional preparation.

III. The Education System at a Crossroads: Challenges and Potential Responses

The education system in the Czech Republic is at a crossroads. After undergoing a process of decentralization that shifted many management responsibilities downward and gradually created the fundamental conditions for citizen involvement, the country must now face a new reform in intergovernmental relations with the creation of regions and continue to build mechanisms for effective citizen participation.

Management of the education sector follows what could be called a dual model. On the one hand, the ministry and its school offices represent the central government; on the other, individual schools have significant powers (since 1989) but little tradition of participatory management. This is the context within which reforms will need to be considered.

Overall Management of the System

The current management structure of the Czech education system implies that the ministry is overwhelmed in resolving day-to-day problems that require immediate administrative decisions and thus lacks the time and strength to develop a strategic orientation for the system that would provide a framework within which to make decisions. Recent developments show, however, that the Ministry of Education has in fact already taken strong initiatives to create an educational strategy. The ministry formulated the aims of its education policy, which were adopted by the government in early 1999. A public debate is being developed based on these aims; its results should become a National Program of Education for the 21st Century in the year 2000. Priorities for both state and regional education management need to be set as part of the preparation for European Union Structural Funds.

The absence of regional management not only limits the ministry's capacity to provide strategic leadership but has also made it difficult to manage the school network efficiently. This most severely affects the approximately 1,900 schools and several hundred study fields in the secondary and higher professional education network, which has been centrally regulated since 1996. Although the central government can vaguely determine the proportions of basic types of secondary education (17 percent of Czech youth go to upper general secondary schools, gymnasia, slightly more than 40 percent go to secondary professional and technical schools, and about 40 percent go to apprenticeship schools), it cannot really manage what happens at the school level regarding the field structure, the content of education, the degree of use of school facilities, and so forth.

The number of schools within the educational system has been centrally regulated since 1996. This number has been reduced (as a result of consolidation or closing) and obsolete or unsatisfactory branches closed through the involvement of School Inspectorate representatives and by the opinions of district offices, municipalities, labor offices, and schools. Central government cannot adequately assess all the factors that contribute to network efficiency or efficient financing of individual branches. The result is that district school offices, in effect, organize secondary education by providing support to create the secondary school network but still wield considerable administrative and management responsibility for preschool and basic education. They distribute the bulk of funds from the state budget to all school levels except institutions of higher education. However, they are staffed with only very low-level managers and cannot make qualified assessments of labor market needs or of how to efficiently design the regional distribution and organization of schools and branches.

The network of secondary and higher professional schools faces yet another problem. Many apprenticeship schools and secondary professional and technical schools often receive applications from students outside their area or from employers outside their district. Currently, it is very difficult to regulate the school network for a wider region, for example, to consolidate schools in different districts, and so forth. Information on district-level employment is too fragmented for the district office to be able to coordinate school networks effectively according to strategic objectives, represent certain special branches, define relations between general and vocational secondary education, or develop higher professional education.

Creating a system of regional management should aid significantly in overcoming the problems and imbalances in Czech education and should improve the organization and social responsiveness of the school network. The exact nature of regional management in the education system remains unclear, however. Most of those working within the sector would want to maintain the current sectoral management to ensure professional supervision in regions and at schools and to protect schools from political influence through appointments of directors or curricular changes. Equally important is the interest in keeping financial flows transparent and in ensuring that state allocations for education are indeed allocated for such purposes.

The Ministries of the Interior and Finance and some municipal representatives contest this opinion, however, preferring to keep regional education management part of the new regional self-government. One of the arguments presented is that maintaining sectoral management could result in redundancy of school offices and municipal governance. Moreover, some education theorists claim that sectoral management can isolate schools from the wider social context, as reflected in the resistance to establishing school councils.

These discussions, ongoing since the early 1990s, make school office authority highly unclear—a matter made even more difficult given the lack of clarity regarding the financial status of the new regions and, correspondingly, their role in the funding of education expenditures. Under the option preferred by the Ministry of Education, designated school offices would be established at the regional level and managed directly by the ministry. These offices would have considerable influence on the development of regional networks of secondary and higher professional schools according to regional labor market needs and would distribute the central budget. Schools might receive additional support from regional budgets and regional employers. The current district school offices would probably survive for a certain period, although with limited powers, and some districts or municipalities would maintain administrative units that would work with regional school offices. Primary schools and preschool facilities would likely come under the jurisdiction of self-governing municipalities, which already largely finance these schools.

District school office staffs are being reduced in favor of 14 offices in regional centers[2] designated by the Ministry of Education, Youth, and Sports as part of an effort by the education sector to verify the viability of this arrangement before discussions on the new regions' responsibilities are finalized. These offices are responsible for coordinating activities in the anticipated regional units. Regional centers have multiple responsibilities. They create the network of secondary and higher professional schools; coordinate education functions that come under the municipal authority; oversee activities that counter xenophobia, intolerance, racism, the influence of sects, and child abuse; handle drug prevention; provide in-service teacher training including the creation of teacher training facilities, and the building of schools and education facilities in the assigned region; and, among many other things, organize competitions for school directors.

School-Level Management

As indicated previously, under the Czech education system, schools currently retain significant powers. For the moment, however, only very limited use is made of the opportunities of participatory management. The status of schools has evolved, and their responsibilities have increased. Few school employees are well prepared for their new tasks, and many attempt to resolve routine problems of organization and management or financial issues instinctively rather than based on formal training.

School directors are responsible for many decisions. In 1995, about two-thirds of the decisions at the primary educational level, and a somewhat smaller percentage at the state secondary educational level, were made at the school level (in private schools, this figure is 90 percent). Municipalities make only 7 percent of all decisions in primary schools, but school offices are responsible for approximately 20 percent of all decisions at primary schools (Bacik 1995).

Are schools really autonomous? It is true that schools make decisions about planning and organizing teaching and learning; using central pedagogical documentation; managing student admissions and personnel; and using funds. At the same time, the Bacik study showed that most decisions of primary schools are made and taken within a ministerial framework according to centrally approved guidelines, after consultation with school offices.

A school director plays a significant decisionmaking role in primary and secondary schools. When 170 directors were polled on their management work and how they use their time, the results showed clearly that resolving economic and legal issues was the most time-consuming aspect of school management. Teaching and learning took 10 percent of a director's time, management review took 12 percent, administration took 15 percent, legislative problems took 26 percent, and mobilizing funds took 37 percent.

School directors can create consultative bodies that include teachers from individual branches and outside specialists. These bodies are widespread, mainly within vocational schools.

The amendment to the 1995 Education Act provided for school councils, but they exist in only 4 to 5 percent of the country's schools. This reflects the considerable resistance among school directors to creating councils or to giving them more than advisory powers. Only one-fourth of all directors are willing to grant school councils the functions that are inherent to a self-governing body, including decisionmaking powers on economic and financial matters rather than pedagogical issues. Although directors do receive some management training, they still tend to be too autocratic and do not know how to manage their staffs. Managerial styles in secondary schools and private schools tend to be more autonomous. Most directors are not yet sufficiently aware of what it means to have teachers participate in important decisions, and many simply cling to their power. The same problems exist in school offices.

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[2] European requirements on regional division into the Nomenclature des Unités Territoriales Statistiques (NUTS) 2 level of regions, which are to become the basis of European Union aid and structural policy, suggest an average of 1,830,000 inhabitants per NUTS 2 in Europe. Therefore, 8 NUTS 2 have been created in the Czech Republic, joining, for purposes of European cooperation, some of the 14 newly created regions.

The quality of school management will improve if all stakeholders are involved in the decisionmaking process. In that spirit, the recommended National Education Council and Vocational Education Council should ultimately include politicians and representatives of other government sectors (labor, industry, agriculture, health, and so forth); employer organizations (associations, economic chambers, and so forth); trade unions; education, training, and research institutions; and so forth.

Regional councils should operate regionally as advisory bodies for addressing labor market issues and requirements for school graduates. These councils should include representatives of the education sector, regional and municipal self-administrations, social partners (employers and employees), labor offices, and other stakeholders that need to be consulted regarding the choice of educational routes and professions. School councils should be encouraged, as the draft of the new Education Act suggests. In other words, the power architecture of the education sector needs to be rethought. Research is needed on how different partners participate at different levels so that recommendations for the distribution of powers and responsibilities become efficient.

The role of the ministry must be redefined and readjusted as regions acquire new responsibilities for personnel policy, curriculum development, and school network management. The Ministry of Education will have to concentrate on creating legislation and program objectives that comply with the creation of regions and regional school offices, the development of regulatory methods and procedures, and the requirements of entry into the European Union: developing corresponding qualification levels and structures, free access to education, consultative approaches to the development of education policy, and so forth.

School directors and school administrators at all levels need training and greater competence in education policy; developing a management strategy; analyzing internal and external relations with the public; and creating control, review, and feedback systems. Executives must be motivated about their own professional development.

An executive training system with standards and management certificates needs to be created in order to help select executives and to evaluate directors. Some elements of such a system already exist, albeit in an unsystematic manner, in nine higher education institutions. Specifically, these are in special regular and distance courses, mostly in continuing education, that range from several-day seminars to six-term studies. Approximately 70 courses are organized by pedagogical centers and private agencies and address mostly legal, economic, and personnel issues of school management. Some propose that management studies for school directors be made obligatory and that the job of school manager be created, accountable to the school director. Furthermore, it is suggested that training on management skills become an integral part of initial teacher training.

Teachers should play an increasingly important role in school management, in school councils, or in professional councils dealing with curricula. Ongoing teacher training should become the condition for career growth and access to management positions. Teaching careers have long been an area of concern, but budgetary restrictions have impeded any substantial changes.

Information systems, their scope, and their content must be improved. Information flows, including statistical data and analyses or the results of research on the school network and on labor market needs, as well as on the professional success of graduates, must reach all partners and management levels.

The future style of management in the education system should be less encumbered by administrative and legislative rules, and it should grant more real independence for making decisions and more freedom for personal initiative at lower levels of the system (including the schools), thereby promoting self-governance.

IV. Conclusion

The Czech Republic is, as previously stated, at a crossroads in the decentralization process. Surmounting the legacy of the past 40 years is no simple task. The education system and its management demonstrate, in microcosm, the introduction of democratic principles into society at large. Its transformation is therefore important.

The education establishment favors maintaining so-called sectoral management of the system, albeit with adjustments. Alternatively, regions and municipalities could run the education system, thereby separating financing from professional management. In this model, the Ministry of Education would play a more indirect role. This solution might stimulate public interest in education and its financing, but it could also result in substantial inequities in schools' financial resources, in the way those resources are used, and in the quality of education, among other items. The financial disparities between regions could be exacerbated. Concerns about political interventions in the life of schools and their management are not negligible. Nonetheless, this model corresponds better to the democratically managed society toward which the Czech Republic is moving.

The experience of other countries demonstrates the viability of other models that depend less on regional administration, that involve social participation, and that concentrate authority at individual levels of management. Regional administration and self-governance in education will be implemented in the Czech Republic, but the roles and responsibilities will be pragmatically defined and will draw upon many models and experiences.

Whatever the model used, support structures and processes will be needed to ensure efficient management: management training, ongoing teacher education and room for personal initiative, improved information and evaluation mechanisms, and so forth. In addition, the Ministry of Education must strengthen its analytical, coordinative, conceptual, and strategic functions. The solution for many unresolved issues is being prepared: defining education standards and their link to the system of qualifications, developing a common secondary school-leaving examination, improving the School Inspectorate, decentralizing school evaluation, supporting innovation, examining and developing continuing education, and improving information systems.

Schools, teachers, parents, municipalities or other levels of regional administration and self-governance, employers, trade unions, and politicians—in a word, all stakeholders—should participate in consultative bodies at all levels and should create them where they do not yet exist. The school system and issues concerning education should become public matters.

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5. Hungary

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I. Introduction

The Hungarian system of public education administration is highly decentralized. Several ministries share responsibility for education, and the national administration shares responsibility with regional and local[2] administrations and schools. Education administration is integrated into local and public administrations, which are typically small and self-governing.

Hungary has a long-standing tradition of educational decentralization. Although centralization gained force under Catholic Hapsburg influence during the 18th and 19th centuries, municipal authority was decentralized in the late 19th century, which affected the development of elementary education. The shift between state and municipal control reflected many tensions, including conflicts with national minorities and the demands of modernization. State control grew from the 1930s on; after World War II, it was consolidated under Communist rule.

The next several decades bore witness to shifting ideologies and administrative organizations. In the 1950s, the Soviet council system was introduced into public administration, integrating education administration into general administration. A process of decentralization began in the 1960s. When the double subordination of local and regional educational administrations was abolished at the end of the 1960s, higher level administrations were weakened. At this time, a unified system of educational and school infrastructure planning was established at the regional level. In the early 1970s, the Council Act increased the autonomy of local councils and gave them more responsibility for maintaining schools. In the mid-1970s, secondary vocational training was decentralized to the 20 regions (counties), and, by the end of the decade, it had been decentralized further to urban municipal councils at the municipal level. In the early 1980s, education administration was merged with health care and social affairs at the municipal level. The 1985 Act on Public Education separated educational inspection from public administration and reorganized it as a service at a time when school autonomy was growing considerably. After 1989, local and central budgets were no longer merged, and state support for local councils became based on a normative system, forcing local governments to face the issue of raising their own revenues.

Like other countries in the region, Hungary changed significantly after the country's first free elections in 1990. Local councils were replaced by politically autonomous local governments,[3] which became responsible for state-owned schools. In 1992, teachers were included in the Act on Public Employees, and minimum teaching salaries were aligned with national salary standards. The 1993 Act on Public Education slackened central curricular control. The National Core Curriculum (NCC)—adopted in 1995 and put into effect in 1998—defined the compulsory curriculum for grades 1-10. Congruent with the 1993 Act on Public Education, the NCC introduced a dual system of curricular regulation that essentially determines the general framework for national requirements and compulsory pedagogical programs for local administrations and schools.

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[1] The Hungarian Research Center of the National Institute of Public Education coordinated this project. The team of experts was led by Gábor Halász. The team members were Éva Balázs, Anna Imre, Judit Moldován, and Mária Nagy. Advisors included István Balázs (prime minister's office), Mrs. Péter Bencze (Ministry of Finance), Gábor Borbáth (Teachers' Trade Union), István Borbola (Ministry of Education), Gábor Péteri (public education expert), Zsófia Szép, and László Sió (Ministry of Education). The paper was translated by Katalin Kovács.

[2] Local always refers to the municipal level, meaning villages or towns.

[3] Hungary is divided into 20 regional counties with relatively weak, popularly elected regional governments. Local governmental operations are monitored by the state through county-level public administration offices. These offices represent the central government and report to the minister of the Interior.

Changes in Hungary have been progressive. In the fall of 1998, new programs were introduced in grades 1 and 7. Final examinations reflecting new requirements will be organized in 2004. As of 1998, vocational education, defined by a National Training Register, begins only after grade 10.[4] In this ongoing transition, old and new approaches and modes of organization often coexist.

II. The Education System Today: Main Actors and Responsibilities

The National Level

Several ministries, the Parliamentary Education Committee, and various consultative bodies share responsibility for education at the national level. The Ministry of the Interior is responsible for local governments and disburses 95 percent of state grants for education. The Ministry of Finance is responsible for financing public services, including education, and submits an annual budget to Parliament. Eleven ministries or other national bodies define vocational training requirements in their specific areas. From 1990 to 1998, the Ministry of Education and Culture was responsible for public and higher education and cultural affairs, and the Ministry of Labor[5] was responsible for vocational education. The 1990 Act on Local Governments (and its 1996 amendment) made the Ministry of Education and Culture responsible for defining the basic curriculum and other standards, working out financing arrangements, and launching developmental programs.[6] After 1998, the system of sectoral governmental responsibilities was thoroughly overhauled. A new Ministry of Education was created and given responsibility for regular and vocational education.[7]

The minister of Education has only limited curricular responsibilities with regard to setting guidelines for minorities and special education in consultation with representative bodies.[8] Local governments and schools have wide latitude in determining local curricula. Examinations come under ministerial purview, as do textbooks and teaching aids listed in the National Textbook Register. Quality assurance, which involves publishing the National Experts' Register and National Examiners' Register of professionals who can make local assessments and conduct examinations, is also a ministerial responsibility.

Ministerial responsibilities for school buildings and equipment are limited.[9] The ministry must define long-term and midterm public education plans

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[4] Each trade listed in the National Training Register has examination requirements; schools can use centrally developed programs.

[5] Until 1998, the Ministry of Labor oversaw the National Training Register, which defines vocational education requirements, and controlled the Labor Market Fund and the Vocational Training Fund—which also are used to develop the formal school system, county labor centers, and regional training centers that play a role in regional vocational education. After 1998, the new government dissolved the ministry and assigned control of the National Training Register and the Vocational Training Fund part of the Labor Market Fund to the Ministry of Education, and assigned control of county labor centers and regional training centers to the Ministry of Social and Family Affairs. Further changes are likely.

[6] The Act on Public Education authorizes the Education minister to issue provisions of law. It lists 11 fields that require or imply legal regulations. Decrees regulate basic curricular principles, the academic calendar, the inclusion of textbooks in the National Textbook Register, accreditation of foreign degrees, national quality measurement and assessment, listings in the National Experts' and National Examiners' Registers, and student flows, including special-needs students in special educational institutions. Maintainers, schools, and teachers can be directed by the ministry when the organization of examinations is endangered or an extraordinary school holiday becomes necessary.

[7] The 1999 amendment of the education law has created a new National Center for Evaluation and Examination.

[8] The minister, relying on representative bodies, must review curricular implementation every three years and forward recommendations to the government or take measures within ministerial authority. The 1999 amendment of the Education Act has considerably increased the scope of ministerial-level authority in curricular matters.

[9] The Central Statistical Office is responsible for public education statistics; data collection is carried out in regional

Table 5.1. Education Expenditures of Central and Local Budgets, 1991–96 (Million Forints)

	1991	1992	1993	1994	1995	1996
Total public education expenditures	125,436	157,375	185,593	216,514	236,372	263,401
Local expenditures	122,308	150,768	176,875	211,351	230,901	256,346
Central normative grants	71,490	84,107	94,820	93,294	91,676	131,209
Other central grants	8,381	6,721	6,106	15,331	7,512	19,750
Normative grants as percent of local educational expenditures	58.5	55.8	53.6	44.1	39.7	51.2

Source: Authors.

and must provide professional support for county development plans. The Ministry of Education has only limited regulatory competence for teacher promotion and in-service training.[10] However, it defines general teacher training (for example, the proportion of teaching practice in initial teacher education) and training for educational management.

The bulk of central financial support is directed to school maintainers (local governments, churches, and private maintainers), which then distribute funds among schools. This support is concentrated in normative educational grants (57 in 1997), which are automatically distributed to local governments using statistical indicators for pupils by grade, educational program, and school type.[11] These grants do not cover all education expenditures, however; in 1996, for example, they covered about half of all local education expenditures (see table 5.1). School maintainers' contributions, along with other state grants and local revenues, make up the difference. Public and private school maintainers receive normative state grants equal to those of local governments, as do parochial school maintainers (since 1988).

Central normative grants vary yearly, depending on fiscal conditions. Local financing varies accordingly (table 5.1). To establish some stability, the 1996 amendment to the 1993 Act on Public Education stipulated that state grants could not be less than 80 percent of the real local educational expenditure of two years earlier. The amendment specifies that 7 percent of all public education expenditures must be for materials to develop public education programs (for example, including new technology), teachers' in-service training, and regional provision (for example, special education and pedagogical support). The Ministry of Education, the Ministry of the Interior, and the Ministry of Finance agree on how these grants are to be used, after which school maintainers apply for them, and the grants are distributed on a normative basis. For vocational education, employers contribute 22 to 25 percent of school-based training expenditures; they channel one part of this funding directly to training institutions and the other to the national Vocational Training Fund.[12] All financing is monitored by the National Audit Office, which reports to Parliament.

The Regional Level

Regional administration in Hungary is divided into 20 counties, including the capital. In the state-party system, elected councils existed at the county level but acted as regional units of central power. Until 1990, the regions had perhaps the greatest power in education, although the 1985 Act on Public Education severely infringed on this power.[13] After 1990, when

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units. The ministry does not have easy access to statistics, however, which limits its ability to make these assessments effectively.

[10] Hungarian civil servants working in public administration differ from public employees working in public education. Civil servants come under the Act on Civil Servants; public education employees come under the Act on the Legal Standing of Public Employees.

[11] In 1997, local governments received 64,000 HUF for each sixth grader and an additional 19,500 HUF if the pupil was in a national minority education program.

[12] The Vocational Training Fund was part of the Labor Market Fund until 1998, after which it became independent under the Ministry of Education.

[13] This act abolished inspectorates that were directly controlled by county councils and turned them into professional services that are organizationally separate from the public administration system.

the local government system was created, counties experienced a dramatic reduction in power; local governments are autonomous and do not report to regional governments.

County governments are responsible for providing schooling for pupils whose towns or villages cannot provide compulsory education, and these governments are also responsible for maintaining institutions with regional functions to meet the needs of several communities from secondary schools to vocational training institutions. Counties also are responsible for student hostels, music schools, and institutions of pedagogical-educational services (for example, speech therapy and educational counseling). Counties must also provide documentation and advisory services, in-service training, and institutional evaluation; they must evaluate curricular programs in county pedagogical institutes.[14] As school autonomy has increased and greater demands have been made for quality assurance, these pedagogical institutes have become increasingly important.[15]

The very peculiar position of county governments can be illustrated by one example. Counties are supposed to provide secondary education, but any community can decide to open a secondary school or transfer its secondary school—with appropriate notice—to the county, which is obliged to take it over. This situation clearly has important implications for the ability of counties to project expenditures.

The 1996 amendment to the 1993 Act on Public Education makes county governments responsible for regional coordination and planning. They must prepare a six-year educational development plan covering compulsory schooling and secondary education, involve local governments and professional organizations in negotiating it, and promote the cooperation of local governments. Local municipalities are not obliged to follow these development plans, but they may have access to financial support for development only if they do so. Such support may come from the county public foundations that are partly financed by the central budget and partly by their own fundraising with other sponsors.

Old regional habits continue to influence regional coordination. The powerful offices of the former county councils, although fewer in number, have preserved much of their informal influence by disseminating information, advising on forms of schooling, and brokering connections.

County income relies far more on state support than does local government income. Counties have no independent right to levy taxes and cannot dispose of any of the income taxes levied in their territory. The largest part of the Vocational Training Fund is also distributed at the county level. The role of public foundations funded by the state budget, individuals, and legal entities in financing regional responsibilities is growing.

State administrative offices called county public administration offices—deconcentrated central agencies that report to the Ministry of the Interior—operate at the county level and play various roles in public education. Their most important task is to monitor local community governments. Oversight is limited to determining that a law is not being observed and calling on the local government to amend the situation by a given deadline.[16] The county administration office must also protect the legality of local decisions to merge, abolish, create, or sell institutions; verify the legality of the call for applications for school heads; and ensure school compliance with mandated operating conditions.

Regional financial directorates and the National Audit Office determine whether state educational grants are used appropriately. TÁKISZ—the regional financial information system, under the Ministry of the Interior and the Ministry of Finance—is the sole source of public education data concerning the regional use of state funds and information on local financial administration task provision. A regularly updated database on local governments provides accurate information about local services, the state grant to which the locality is entitled on this basis, and how much money it actually spends on individual services.

County labor centers, which previously were overseen by the Ministry of Labor and now are under the aegis of the Ministry of Social and Family Affairs, primarily provide employment information as well as adult training and retraining programs in public education institutions or regional centers.[17] Some information is also available for youth unemployment and some forms of vocational training. These centers coordinate regional negotiations on vocational training among representatives of employers, employees, the central and local governments, and the regional economic chambers that participate in the county vocational training council. They also determine Vocational Training Fund distributions by applying council recommendations.

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[14] County governments are not compelled to maintain pedagogical institutions if they can provide the services in some other way, but there is a pedagogical institute in every county. In one of the counties, the pedagogical institute operates as a public foundation.

[15] The new National Center for Evaluation and Examination has seven subcenters in the statistical regions.

[16] In 1997, the Budapest office examined the minutes of 5,700 meetings, of which only a minority dealt with educational issues.

[17] The eight regional training centers were established with World Bank credits in the first half of the 1990s.

The Local Level

The 1990 Act on Local Governments grants the right to form local governments, which are responsible for providing general public education. Reduced public resources, the steady decline in school-age children, and the introduction of county-level public education are leading local governments and providers to share educational responsibilities increasingly through associations or cooperation or by contracting to outside providers.

Approximately 3,200 local governments were created in 1990, of which more than 3,100 remain. More than 2,400 of these governments maintain an educational institution, and more than 1,800 maintain an eighth-grade general school for the 10- to 14-year-old cohort. More than 55 percent of these schools operate in communities with fewer than 2,000 people (see table 5.2). More than 200 local governments maintain a secondary school for 14- to 18-year-olds. Only larger towns and cities maintain the full institutional network of public education.

Popularly elected representative bodies, presided over by a mayor, make most local decisions concerning public education. Many smaller school-maintaining local governments struggle with their responsibilities in communities with few college-trained professionals to help guide education quality and control. The notary can make most decisions concerning public administration; larger communities have a separate unit for public education and usually health care and social affairs. When a local government must maintain at least three schools, an education committee with elected representatives and invited outside experts is required.

Table 5.2. Local Governments Providing Education, by Community Population, 1996–97

Pop. on 1/1/96	No. local govts	No. local govts maintaining at least an eighth-grade general school
Fewer than 500	992	31
500–999	697	344
1,000–1,999	668	629
2,000–4,999	514	510
5,000–9,999	135	134
10,000–19,999	76	76
20,000–49,999	45	45
50,000–99,999	28	28
100,000–199,999	12	12
2,000,000[a]	1	1
Total	3,168	1,810

a. The capital is the only local government with more than 2 million inhabitants, but its general schools are maintained by the 23 district governments, which are highly autonomous.
Source: Public Educational Statistics data.

Local governments are responsible for kindergarten and basic school education. They can decide to create, maintain, reorganize, or close particular schools. They also can enter into cooperative agreements with other local governments or contract with another maintainer (public or private) to provide schooling. Enrollment areas of kindergarten and schools (enrollment districts) are regulated through local decrees.

Local governments hire, appoint, and evaluate school heads, but in practice they rarely perform any evaluations. Although the school employs teachers, local governments determine the size of academic and nonacademic staff according to school needs and central regulations. As of 1998, local governments approve school pedagogical programs and local curricula from a legal and financial perspective only. To monitor school operations, local governments can require schools to prepare data and documentation. Although the Act on Public Education makes local governments responsible for assessing school quality, they generally neglect institutional assessment. Preparations for implementing the NCC have led the larger school-maintaining local governments to define and incorporate their community-level educational concepts into county development plans.

The head of an educational institution evaluates his or her staff (with outside experts), assigns duties (with departments), and determines salary increases above the centrally regulated minimum. The teaching staff adopts the school head's organizational and operational regulations and house rules. The school board and the pupils' self-governing body must approve any modifications. Consultations are generally required on every issue. Teaching staff members, who have gained power in recent years, usually define the pedagogical program, local curricula, and applied programs and methods and select textbooks and teaching aids; they can appeal if their maintainer—that is, the owner of the school, the municipality—rejects the program.

School budgets are determined by local governments and are funded partly by local budgets. Local governments spend approximately 30 percent of their annual budget on education—far more than they receive in state grants. Although local financial administration is very independent, it is constrained by scarce resources and inherited expenditure patterns. Local governments are entirely free to define the allocation of their education budget among schools and uses. It is relatively easy to calculate each school's minimum budgetary needs using guidelines provided by the Act on Public Employees and the Act on Public Education. Most local governments follow the basis financing system, which adjusts annual budgets for inflation and allows for significant bargaining between a school and its maintainer. Some local governments are trying to base their educational budgets on the type and number of institutional tasks when pedagogical programs and the adjustment to county development plans call for revising the charters of educational institutions and for redefining their compulsory tasks. Local financial officials and institutions resist this approach because it is new and requires annual recalculation of institutional budgets. In the past few years, many wealthier municipalities have earmarked funds for educational development and innovative purposes to be determined by an education committee or body of representatives.

For the past few years, more options for extra income from other sources have become available. Ministries and national and international foundations regularly call for grant applications. Most schools have created their own foundations to which parents or economic organizations can contribute. Taxpayers can donate 1 percent of their income tax to such qualifying institutions, which brings in very modest extra income.

The entire vocational education and training system has been overhauled. Vocational education can begin after age 16 or after the completion of general basic education. The increasingly powerful private sector, the economic chambers, and the labor administration, which can support this reform professionally and financially, are pressuring vocational training institutions to make their training structures more flexible. The institutions can apply for grants from central or decentralized funds, such as the Vocational Training Fund, that solicit applications to purchase machinery and equipment, can apply for funds directly from economic chambers, or can be directly supported by economic organizations.[18]

The Act on Public Education gives a broad circle of actors the right to create and maintain an educational institution. Social partners and professional and civic organizations all play roles in education. Churches, economic organizations, foundations, associations, and private individuals may found and maintain a school with the same responsibilities as local governments.[19] Private maintainers can receive some auxiliary state support for providing public education, but they cannot levy school fees.

Other Actors

Many consultative bodies and organizations formally and informally influence national, regional, and local decisions on education. Several bodies play a role in labor relations and minimum employee salary issues. The Interest Coordinating Council of Public

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[18] Every company may pay a given percentage of its wage expenditure to the Vocational Training Fund or directly to a vocational training institution chosen by the company, but the company itself may provide training either for the school population or for its employees.

[19] In academic year 1996–97, 7.2 percent of all schools and 13.8 percent of secondary schools were not maintained by local governments or by the state. Churches are the biggest group of nonpublic school maintainers (4.4 percent) in secondary education; the proportion of denominational and other private maintainers, however, is higher (6.4 percent and 6.6 percent, respectively).

Education (KÖÉT)[20] is a tripartite negotiating body that discusses bills concerning public education employees and general educational proposals and concepts. Because local governments appoint and pay teachers, the Act on the Legal Status of Public Employees requires local forums of negotiation, with local actors determining how this is done. A 1995 survey found that 28 percent of the responding local governments said they formally operated a local body of interest negotiation (the proportion among towns and cities was 71 percent). This number has probably increased significantly since the survey. The act also gives representative trade unions the right to establish a collective contract with the employer. Every institution must have a council of public employees with the right to consult on teachers' employment and salaries.

Consultation also involves purely professional matters. The National Public Education Council (OKNT) is a national professional body that prepares decisions and drafts opinions and proposals on curricula, textbooks, and examinations.[21] Its members are commissioned by the minister of education and delegated by professional teachers' organizations, teacher education institutions, and the Hungarian Academy of Sciences. The Public Education Policy Council (KPT) assists in preparing and phrasing decisions and proposals. Four representatives from central and local governments, other school maintainers, minority governments, professional teachers' organizations, teachers' trade unions, and parent-student organizations participate in the KPT.

Interest negotiation with social partners is extremely important in vocational education. The National Vocational Training Council provides a forum for vocational training policy issues and distribution of the Vocational Training Fund in which employees, employers, the central government, the economic chambers, and the school-maintaining local governments are represented. The Act on Public Education requires county governments to involve social partners in preparing county development plans and to specify conciliation between county and local governments regarding a town with county rights. Vocational training councils similar to the National Vocational Training Council operate at the county level and play an important role in distributing decentralized vocational training funds.

Schools can establish school boards to enhance cooperation among school staff, parents, students, maintainers, and any other concerned organizations. Although these boards may offer opinions on any school issue, they must be consulted about the pedagogical program. The board can also decide how a school uses income generated through an economic enterprise.

Professional organizations participate in the work of the national consultative bodies in a formal, symbolic fashion because of their large numbers and variety. Most national organizations generally receive draft legislation for comment and can pressure the government on particular positions. Organization activities center largely around members' needs. The public life of the profession is organized at the national, regional, and local levels; organizations publish and disseminate their own professional materials. Professional teachers' organizations have a long history in Hungary. About 150 teacher organizations or associations existed before 1945, but they were abolished by 1948. In the 1960s, the profession was reorganized in one form or another; it developed fully after 1989, with the Law on the Right to Associate. The number of organizations changes constantly. Associations such as the Association of Teachers of History, the Hungarian Society of Vocational Education, the Association of Hungarian Kindergarten Teachers, and the Federation of Student Hostels strongly influence public education policy decisions.

Teachers' unions may be either nationally representative or nonrepresentative. Trade unions are representative if their nominees obtain at least 10 percent of the votes in school-level elections of the council of public employees. The Teachers' Trade Union (PSZ) organizes teachers across all school types, whereas the Union of Hungarian Musicians and Dance Artists represents a narrower circle of teachers. The unions represent teachers in national consultative bodies (KIÉT, KÖÉT), which usually invite other trade unions, such as the Democratic Trade Union of Teachers (PDSZ), formed during the change in regime. Teachers' trade unions represent one part of the KPT, where they can consult on public education policymaking.[22] Teacher trade unions rarely resort to demonstrations, protests, or strikes, but political lobbying is widespread. The PSZ and the PDSZ publish their own papers on policy positions and provide a forum for other views.

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[20] This council is the correlate of the Interest Coordinating Council of Budgetary Institutions in Education (KIÉT). Council members usually include representatives of the central government, national trade unions of concerned employees, and the national federations of local governments.

[21] The OKNT can veto in a very important case. The minister needs its agreement before filing a proposal to modify the NCC.

Associations of local governments are also important actors in these consultative processes. Seven large federations of local governments exist at the national level. The largest is the National Federation of Community Governments (TÖOSZ), which includes local governments of different sizes and types and employs a full-time educational spokesperson. The smaller Hungarian Federation of Local Governments aspires to a similar integrative role. Towns with county rights (cities), small towns, and county governments all have their own independent federations. Representatives of local government federations—the biggest employers in public education—participate in the work of the national interest negotiation bodies (KIÉT, KÖÉT) and represent one part in the KPT. Because public education uses the largest proportion of local resources, it is the most important professional field for the federations as well. Educational committees have only been established in cities with county rights. These organizations have existed only for a short time—TÖOSZ, the oldest federation, was created in 1989—so their major activity is participating in national-level consultations.

The local government federations are among the most important negotiation partners of the central government, but interest-coordinating negotiations with them are complicated by virtue of their large numbers and the fact that they represent only certain groups of communities. Their common organization—the Council of Federations of Local Governments, created in 1996—may become the proper negotiation partner for the central government.

Hungary's 11 minority self-governments—Armenian, Bulgarian, Croatian, German, Greek, Polish, Roma, Romanian, Serb, Slovakian, and Slovenian—are guaranteed the right to found and maintain schools. They also constitute one part of the KPT and are involved in preparing ministerial decisions about national and ethnic minorities' education. The council of these minority self-governments has a legal standing similar to the OKNT, but the minority organizations have veto power in connection with a variety of minority education affairs.

Parents, who typically voice their support or dissension spontaneously, also have formal consultative rights at the national and institutional levels in organizations, constituting one part of the KPT. The best-known organizations include the National Association of People with Large Families[23] and the National Association of Hungarian Parents, both of which have been created since the change in regime and seem very volatile. Most of the better known organizations are denominational (such as the National Association of Catholic Parents and Parents for Piarist Schools) or work for handicapped children (such as the Association for Children With Dyslexia, the Federation for the Protection of Interests of Children With Mental Disabilities, the Association of the Partially Sighted, and the National Federation of the Hearing Impaired).

Students also constitute one part of the KPT, but their participation raises problems of responsibility and representation. The National Student Union is the best-known national organization, but these organizations are often ephemeral. The scope of action of the national interest negotiation organization, the Council for the Protection of Interests of Children and Youth, extends beyond public education. The National Students' Rights Council plays an advisory role to the ministry.

Many other nongovernmental organizations play a role in education. These organizations include the Association of Foundational and Private Schools, which is represented in the nonlocal government part of the KPT; the Association for School Equity (which seeks to spread the12th grade comprehensive school);

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[22] According to a 1997 survey, 48.6 percent of all teachers are trade union members; 42 percent are members of the biggest organization, the Teachers' Trade Union. The rate of teacher unionization varies greatly: 24.6 percent of teachers who are 20 to 29 years of age are members, but 54.6 percent of teachers who are 50 to 59 years old are members; 32.6 percent of the teachers in Budapest belong to a trade union compared to 50.2 percent of village teachers.

[23] According to a 1997 survey, this association had 22,000 members.

the Federation of Small Schools; the Hungarian Waldorf Forum; and the Budapest Montessori Society, which is associated with specific pedagogical philosophies. Churches, which are represented at the national-level KPT, are members of the nongovernmental maintainers' part; they play an important role for schools of their denomination in teacher training and in-service training, as well as in preparing and disseminating teaching materials and textbooks. They employ teachers for religious studies in local government and public schools for pupils electing to study there. Their role in local educational policy varies greatly according to local expectations, clergy members, and the different educational institutions present.

The role of economic chambers, employers' organizations, and economic organizations as school founders and maintainers—especially for vocational education—has increased steadily since the change in regime. Encouraged by tax deductions, economic organizations are increasingly involved in organizing practical vocational education. The influence of these groups on vocational education policy, including the definition of training requirements, continues to grow; it is exercised mostly through the National Council of Vocational Education and county-level vocational education councils. The recommendations of these councils determine the national and regional distribution of the Vocational Training Fund. The councils also participate in drafting county-level public education development plans.

III. System Problems: An Analysis

What are the major administrative problems in Hungarian public education? To what extent are these issues connected with problems of shared responsibility? How does this system of shared responsibility influence the most important public educational objectives? Any analysis of the problems of educational administration must follow from the objectives of the education system, some assumptions about allocating responsibility for reaching these objectives, and the tools and incentives to do so.

This report assumes that public education should be efficiently and effectively organized, that it should guarantee educational quality and equity, that it should give individuals and communities the right to choose the educational service they need freely, and that it should operate in a transparent fashion.

Personnel Policies

School staff are either public or private (denominational or foundation) employees although employment conditions are similar for all staff. The status and terms of employment of public school employees, who work in 94 percent of all educational institutions, are regulated by the 1992 Act on the Legal Status of Public Employees and the 1993 Act on Public Education, amended in 1996. The 1996 amendment makes the central government responsible for terms and minimal salaries. School employees are also local employees and are formally employed by school heads.

Responsibilities for personnel policies are shared. Salaries are centrally regulated by the public employees' salary scale, which determines a minimum salary according to a teacher's age and qualifications. Local governments determine school resources, and school heads appoint teachers and set salaries according to central legal regulations and local budgetary decisions. Annual central salary negotiations define minimum salaries, but variable local conditions make it difficult to translate national negotiations into concrete local outcomes. The central government has been looking for alternative ways to influence local decisions—for example, by creating more centrally administered earmarked sums (for example, for in-service teacher training) and by introducing elements of merit pay.

This system requires cooperation and coordination among decisionmakers that do not always exist. In 1993, for example, the central educational administration reduced the number of weekly compulsory lessons without considering local salary implications, conveying a message to school maintainers they should avoid firing teachers. Normative grants remained unchanged, forcing local governments to maintain salaries at the minimum. Similarly, following the Act on the Legal Status of Public Employees, many school heads decided to give merit awards to outstanding teachers. When local governments realized the financial consequences of these decisions, some refused to pay.

In 1995, the central government attempted to deal with its limited capacity to enforce decisions during a period of financial crisis. It implemented an austerity measure that would have forced local governments to increase their fiscal efforts to maintain educational spending levels while undertaking a comprehensive statistical survey of public educational institutions, examining school budgetary data in light of information on pupil and teacher numbers. This initiative encouraged local governments to undertake similar analyses, which led to the preparation of rationalization plans and the curbing of salary expenditures by reductions in the number of teachers employed after 1995 (especially at preprimary, primary, and lower secondary levels). Parent and school protests greeted planned school closures and mergers.

This situation illustrates one of the major dilemmas of an educational system that continues to prize employment and salary security. The vast majority of the 2,400 local governments and their communities are conflict averse; they prefer splitting classes to dismissing teachers, even at the cost of lost efficiency and reduced educational quality.

Curriculum

The major issues for educational content are connected with quality and equity. The current system does not guarantee appropriate curricula or textbooks largely because it is new and because national and local actors are inexperienced. The balance between central and local curricular responsibility must be refined. Local decisionmakers need training and must become more aware of quality, program equity, and efficiency issues. Management tools are currently inadequate, and responsibilities are not always clearly assigned. Where market players are responsible, there is no guarantee of their interest or accountability.

The 1993 Act on Public Education abolished a single, national compulsory curriculum; the NCC, which became operational in 1998, defined a loose framework of standards for compulsory education (through grade 10) in biennial or longer cycles of interdisciplinary areas. Local curricula, textbooks, and examination standards complement this framework. Central guidelines for grades 11 and 12 are implicitly provided by final examination requirements as of 1997. Since 1998, the Act on Public Education has regulated school curricula by defining educational objectives. A school defines its local curriculum within the broader pedagogical program—either by borrowing and adapting other curricula or by developing its own (although less than 10 percent of schools develop their own programs). School maintainers approve curricula, with the consent of government-certified public education experts. The National Institute of Public Education (OKI), the ministerial research and development institute, is largely responsible for providing curricula from which schools can choose.[24]

Educational quality in this system depends heavily on the adequacy of the decisions made by individual schools and the capacity and willingness of local maintainers and public education experts to enforce standards. School staffs, however, are ill-prepared to develop and adapt programs. The new system of in-service teacher training, which was given considerable resources by the 1996 Amendment of the Act on Public Education, is developing rapidly. Local maintainers lack expertise and information; poor maintainers cannot afford expert services. National experts may also lack established, detailed criteria for curricular evaluation. The OKI has a limited capacity to provide schools and maintainers with sufficient models of curricula. Indeed, the system suffers from the insufficiencies of the players. Regulations are in place, but a longer organizational learning process is required. Policy decisions concerning implementation deadlines are political and do not reflect real abilities.

Local accountability mechanisms for decisions on school curricula do not appear to be very strong. No one may notice in the short run if a school develops an inferior local curriculum or chooses textbooks poorly. Probably only governments in larger towns and cities, rather than those in smaller communities, or middle-class parents, as opposed to underprivileged parents, react. The people carrying out professional evaluations have no enforcement tools and are likely to be motivated at least partly by financial concerns. Furthermore, there is arguably very little local accountability for adjusting school programs to national standards. The new examination system, however, will probably incite schools to adjust and thereby may provoke some serious long-term financial consequences that local governments may not want to acknowledge.

Textbooks constitute another area of concern. Publishers ensure a sufficient supply, which is centrally or locally compiled into an annual register for schools to select according to their pedagogical programs. However, textbooks are rarely tested, so feedback on their quality is uneven.[25]

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[24] The 1999 amendment to the education law introduced a new tool for local curricular planning. This frame curricula is to be produced by the national level.

Vocational education has been changing slowly. The new National Training Register has made vocational education more output oriented through discussions with social partners on training and examination requirements, which have become the subject of higher level regulations. New professional program choices have become available and are slowly being developed in line with National Training Register requirements, somewhat like the implementation process for general education. Vocational education suffers, however, from a lack of accountability mechanisms. The state provides support for training, for which the Vocational Education Act gives power to the economic chambers, which are not always very thorough or efficient. No stable, generally accepted control methods and procedures exist, and the chambers do not always know what or how they are to control. They are often inclined to tolerate inefficiencies because they have no clear stake in the process.

School Infrastructure

The central government has only minimal responsibility for school infrastructure. Local governments build and maintain their own schools—which are often in very poor condition—or jointly maintain services with another maintainer, although communities are not interested in doing so.

There are some important concerns about the ability and interest of local governments in making efficient decisions about school infrastructure. Governmental measures prescribe school structures and equipment loosely, which may contribute to poor quality; local decisionmakers have strong political interests in opening new schools and protecting old ones.

Until 1996, no serious regional school infrastructure coordination existed. The Act on Public Education had made counties responsible for coordinating infrastructure but did not give them grants. The 1996 amendment to the Act on Public Education introduced regional planning, which strengthened responsibility for developing infrastructures. County governments were required to prepare six-year development plans essentially to negotiate the principles for developing an institutional network and educational content, but the plans can be legally enforced only when they create secondary schools with more than four grades. Communities are encouraged to respect these plans via financial grants from public foundations created in 1996. Most county public foundations are not yet well prepared to use public resources efficiently for regional development because they generally lack competence, staff, and the independence to assess national and local priorities, to monitor application and distribution procedures, and to evaluate program effects.

The 1998 elections created new challenges for infrastructure, especially in vocational education, where policy was less linked with employment policy, and because the education government took greater responsibility for adult education. Local and regional development policies on school and vocational education may therefore become better coordinated. Greater attention to social policy may affect training infrastructure. For example, how will the new employment policy change the role of the older regional training centers? How will the education government's growing responsibility for vocational training affect the work of these centers? Another question that remains is how county labor centers and the Vocational Training Fund can work under two different ministries where they had previously worked under a single ministry.

Student Enrollments and Flows

In the area of student enrollment and flows, as elsewhere, responsibilities are shared. The central government regulates school entry age, the length and location of compulsory schooling, and who is responsible for what.[26] Schools can define enrollments and student flows, but local governments can determine the training profiles of their educational institutions and the length of secondary training programs connected with basic schooling. School choice and student enrollment and transfer issues have become complicated as the regulatory structure has changed. The situation is further complicated by an inadequate information system, public education statistics that do not allow the central government to monitor student flows, and insufficient access of maintainers and county-level governments to the data they need to monitor student transfers. This situation also affects parents, who in theory can choose schools but often lack the information to make informed decisions.

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[25] The new frame curricula are intended to encourage the development of testing and assessment models as well.

[26] Since 1998, procedures for transferring from basic to secondary education are increasingly regulated by the government.

The NCC and the amendments to the Act on Public Education have significantly changed student enrollment and flow regulations. Compulsory education was lengthened by two years (up to age 18), and specialized vocational training was postponed until after age 16. As secondary schools have begun to offer lower secondary grades, the transition from primary to secondary education has become one of the most pressing educational problems. Schools normally enroll children residing in their district, although an enrollment district usually exceeds community boundaries for secondary schools and can extend to the county or to the whole country.[27] The Act on Public Education stipulates that pupils can transfer to different institutions, but maintainers cannot usually evaluate pedagogical programs. Moreover, district boundaries take no account of differences in school quality, but maintainers can open additional classes or can redraw district boundaries to balance these differences.

As educational administration decentralizes, more schools open and therefore compete for students. Market mechanisms encourage effectiveness but have serious equity implications.

Quality Assurance

The old school inspectorate was abolished in the late 1980s, but mechanisms for ensuring quality in Hungary's recently decentralized system are still being defined. A new model of quality assurance adjusted to the conditions of local and institutional autonomy is developing, but many problems need to be resolved before the system can function effectively.

Under the Act on Public Education, the different administrative levels have different assessment responsibilities. Assessment is hindered, however, by fragmented responsibilities and a lack of proper tools and capabilities. National and regional assessment are based on nationwide measuring assignments or surveys. Maintainers use only partially defined tools to assess institutions; individual teachers are assessed by school heads.[28]

Many operational issues still need to be resolved. No institutions exist to conduct regional surveys.[29] Experts authorized to chair examinations are listed in a national register, but training and registration procedures are still being developed. Expert consultations on school pedagogical programs include no standard requirements for quality assurance. Experts can therefore ignore quality assessment altogether in pedagogical programs. Although they can issue professional evaluations, decisions fall to the maintainer, which has no clear idea of what professional control means or how to carry it out.[30] County development plans can specify regional quality assurance concerns such as mobility, equity, and labor market relations, but enforcement is not guaranteed.

A regulatory framework exists for assessing teaching, but maintainers have no detailed instructions for implementing it, nor do they reward teachers, who are public employees. Responsibility for institutional quality is shared between the maintainer and the school head, but the relationship between financing and quality has serious implications. A maintainer provides and approves an institutional budget, but no regulations connect it with quality.

Implementation of the NCC is just starting, but some issues surrounding the regulations and framework possibilities have already become apparent.

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[27] For example, the principle of subsidiarity guarantees county responsibility if a local government cannot provide secondary education. If the same local government does not provide a proper general education service, however, there is no guarantee that the county government will intervene.

[28] The National Center for Evaluation and Examination, which was created by the 1999 amendment to the education law, is going to play a role in this area.

[29] The situation has recently changed. One of the tasks of the National Center for Evaluation and Examination is to conduct regional surveys.

[30] The 1999 amendment to the education law includes the specification of quality assurance mechanisms in school pedagogical programs. Significant resources were made available for the development of business model quality assurance mechanisms (such as total quality management [TQM]) at the school level.

County development plans and public foundation partners ensure regional education quality that reflects national standard requirements and regional demands and conditions, but no funds are earmarked for developing disadvantaged areas.

Public education experts and official examiners play a significant role in local quality assurance, but there are no standards or unified training or training programs as yet. Central and local government institutions and market actors participate in in-service training programs, which ensure a greater variety of tools and which enhance their efficiency. External course evaluations remain incomplete, however, and evaluation criteria are still missing.

IV. Recommendations

Recommendations concerning personnel, educational content, financial administration, and so forth are closely interrelated and occasionally overlap. They reflect the conviction that no major change is needed in the system of shared responsibilities developed during the past decade.

Personnel Policy

Efficient labor management (teaching staff, nonacademic school staff, and nonpublic employees with short-term contracts) is a strategic issue to be considered in a decentralized system such as Hungary's. The objective is to develop strategies and means to use resources more efficiently in general and to employ teachers more productively in particular.

The Act on Public Education does not clarify the role of the Ministry of Education in this area, which is a void that requires definition. At the same time, the system of information and statistics for public education should provide an overview of local teaching force management and availability and should facilitate direct access to local and institutional teacher availability and employment. The government could thereby assess whether maintainers properly ensure teacher qualifications, whether institutions respect teaching standards, and whether social partners comply with salary schedules and working conditions.

To improve effectiveness, personnel policies must reward high-quality work. Instruments such as merit pay or linking rewards to in-service teacher training should be further strengthened. To this end, county public foundations should be advised to support local initiatives such as institutional sharing of teachers, and central support should reflect their cooperation.

Agreements with social partners require that they respect the decentralized system, including salary regulation. Therefore, they must agree on the regulation process rather than on the amount of salaries and must acknowledge that these agreements should be made both centrally and locally. The agreements must be monitored. Social partners therefore need information about general state budget processes and education system processes. Salary agreements also require information about modifications in the financial support system of local governments and their general economic conditions, as well as the impact of fiscal changes on individuals and institutions. Successful agreements require the involvement of school maintainers, the encouragement of horizontal harmonization between the interest negotiating organizations of the school maintainers, and the creation of clearer boundaries between local salary bargains and central salary regulations. Information about the implementation of social agreements must also be systematically collected and analyzed.

Raising public awareness and developing cooperation techniques is another important issue. Alternative employment policies and salary philosophies should be discussed and considered. The state's role in public employment in a market economy bears discussion that should also touch on governmental responsibility for obtaining the best possible educational quality at the lowest possible cost.

Governments, maintainers, and school heads need the means to train public educational managers and to develop and disseminate programs that devote special attention to efficient teacher, local, and institutional personnel issues. Information concerning teacher employment and economic analyses of practices in other countries should be widely disseminated. Civil servant in-service training programs should cover employment issues. Information on national experience should be gathered and

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31. Currently, central programs are disseminated through a special curriculum design software (Profil), which partly controls compliance. There is no regulatory guarantee.

disseminated in seminars to publicize labor management successes and failures.

Strong measures are required to promote efficient regional and local cooperation techniques for teacher employment and to encourage promising forms of cooperation. Central, regional, and local administrations should develop special funds and techniques to reward efficient management (such as teacher sharing for subjects that demand few hours).

Educational Content

The current education system provides central curricula that are locally modified. However, the institutional infrastructure responsible for creating and maintaining curricular supply is very underdeveloped, and curricular quality is insufficient. In addition, general requirements need to be defined more clearly rather than left to the sole discretion of the responsible professional organizations. Institutional programs must be distinguished from subject programs, new programs must be documented, and textbooks and other teaching aids must be inventoried; connections among programs must be improved.[31] Service institutions responsible for creating central programs need to be developed, and their tasks must be more clearly defined.

After an institutional structure is in place to issue central curricula, it should be regularly monitored by an assessment program involving professional organizations and social partners. Currently, the Act on Public Education has only a single article on school program requirements, but it could it might suggest professional standards. Public education experts play a key role in assessing school programs, but their selection, qualification, and training need further regulation.

The smallest local governments lack the competence to approve school programs. External expert assessment is insufficient to compensate for this situation even though a local government could employ an education official and smaller local governments could be granted some additional compensatory interest negotiation rights. In general, it would be advisable to strengthen the role of specially trained and appointed professional bodies rather than lay elected bodies. At the same time, social partners with vested interests in the high-quality operation of schools could oversee them.

School pedagogical programs are officially public, but they should be available, in detailed form, to a wider professional and general public. If school programs were published in a standard format, the national administration could compare them.

The NCC was created to give the public education system greater coherence and transparency as it diversifies. It still has little leverage to impose school compliance, however. The main challenge is to bring about its gradual adaptation without seriously limiting local autonomy. Regional planning could influence the relationship among local institutions and could help with gradual adaptation to the NCC. Some central requirements for county development plans should explicitly serve this purpose (such as spreading and supporting programs that organize 9th and 10th grades according to the NCC).

School Infrastructure

Since the 1990s, maintaining a school has meant local autonomy, which has satisfied the local electorate. These arrangements, however, have negative implications for equity and for financial accountability and efficiency given the lack of national standards. The following steps and measures can enhance the development of school infrastructures, compliance with standards, and more effective use of developmental resources.

Educational and regional development should be more closely related. Much public educational infrastructure development occurs within the general system of regional development and should be specifically addressed as such. To ensure that resources are properly channeled, the education sector has to play an active role in formulating regional regulations and concepts of development, especially by participating in the work of regional decisionmaking bodies. Vocational education must also be developed with a view to using resources effectively, which means coordinating its development with the policy and long-term concepts of economic development.

Broadening and clarifying the tasks of regional planning would help to begin harmonizing the provision of institutions and equipment in Hungarian public education. The first step should be to compel school maintainers to define and provide appropriate current data on educational content, financing, infrastructure, employment, and services for all government levels. County public foundations should then be advised to support surveys and research projects comparing educational infrastructures and their development. Support of maintainer associations will probably help reduce local costs.

Communication channels must exist among regional planning experts, county public foundation representatives, and the central educational government, which provide professional methodological assistance for county planners and resource beneficiaries. County public foundations must define application and evaluation standards for distributing their funds.

The public education sector needs architectural and equipment standards. In 1998, a ministerial decree on equipment provision was passed that will require long-term monitoring. Maintainers will need the training and means to comply with quality requirements.

For educational infrastructures to develop effectively, regional associations and cooperation among communities must be strengthened beyond current national regulations. A sample association contract of maintainers listing rights, financing, and other responsibilities of the partners could ensure that the associations survive their first serious conflicts and disseminate successful experiences.

The central government must spread the practice of task financing to help develop school equipment provision and upgrade equipment quality. Task financing, in contrast to the annual allocation of a lump sum in base financing, means having the school maintainer establish an annual institutional budget by assigning lines to each institutional task.

Local government officials must be trained to understand the advantages of procurement practices. All equipment could be more efficiently provided, particularly when a maintainer has several schools to renovate or refurbish. Publishing the experiences of public procurement, including the stumbling blocks and outstanding successes, would be very useful.

Student Enrollments and Flows

Student enrollments and systemic progress are closely related to equity and the education of disadvantaged groups. This issue is one of the most sensitive in the decentralized education system and one of the most difficult to influence.

All administrations and actors must be clear about their specific responsibilities concerning equity. Central responsibilities primarily concern underrepresented or ineffectively represented groups. The central government could commission regular reports to verify that its guidelines are being followed. Counties should be made responsible for target groups ignored by local governments. Regional planning should stress risk groups. Local governments should be legally bound to take preventive measures against discrimination.

Protecting citizens' equity and quality-related rights requires identifying new institutions to help citizens seek amends—such as a Parliamentary ombudsman or jurors specializing in education issues. Citizens also need better information about current institutional options for protecting rights (such as county public administration offices).

The central government must establish national equity standards to describe tolerable differences between schools. Complex indicators are needed to identify target groups and individuals; current statistical data are insufficient for equity assessment. A new system must provide and monitor data on student flows, dropout rates, and internal transfers for central, regional, and local administrations on an ongoing basis.

Every possibility for ensuring student transfers must be explored. This could entail harmonizing programs within a community or region or evaluating institutional programs for compliance with the NCC calendar and general transfer requirements. A national framework for transferring between primary and secondary levels should be created to limit local government autonomy without entirely excluding reasonable local solutions. Towns could be legally compelled to pass a public decree to regulate transfers.

A detailed policy for compulsory education, at least, is needed to increase the transparency and structural homogeneity of the school system. This policy would include uniform names for grades and educational cycles, harmonized financing, common entrance requirements, unified certificates, strengthened horizontal cooperation between schools, and so forth. Larger local governments and regional administrative bodies could play larger roles. System transparency could also be served by school and career counseling that gives individuals the proper information for making decisions about their progress within the educational system. Central, regional, and local responsibilities should be clearly delineated, and additional professional and financial support should be provided to develop an information system.

Pupils—at least in their first years of schooling—should be able to attend school in their home community, receive some vocational training, and focus on practices that help them obtain a vocational qualification and choose a career path, perhaps even before they take the basic general knowledge examination. In lower secondary education, 9th and 10th graders must be able to attend a school from which they can proceed. Secondary entrance examinations should be limited in number, and transferability should be ensured.

Repeating of grades should be supervised because international experience suggests that repeating a grade does not help improve student attainment. Some practical skills and competencies could also be tested in the basic general knowledge examination. In the concluding phase of secondary education, educational content should be more flexibly adjusted to students' career intentions, the demands of higher education and vocational education, and the labor market. To increase the numbers of people completing upper secondary qualifications, it is important to support adult education institutions where primary education can be completed and where adults can obtain the upper secondary school-leaving certificate. Currently, the postsecondary sector helps disadvantaged students enter postsecondary schooling, but preparatory programs are needed to help these students enter university- or nonuniversity-level higher education. These students should also be supported in preparatory courses.

Institutional and other mechanisms should be developed to help define long-term economic needs and to link them with the education system, particularly in regional planning, and with development plans for vocational education. Similarly, institutional negotiations, cooperation, and communication should be encouraged to keep schools and individuals informed about changing market needs, particularly in vocational training.

The current structure for educational responsibility contributes to unequal opportunities in the public education system. A national strategy is needed to deploy special means to identify, support, and establish an accountability system for disadvantaged groups, such as the children of the long-term unemployed, those living in backward regions and communities, or children who are disadvantaged because of their cultural or lingual background. Financial stimulants could help raise the normative grant for those lagging behind through individual tutoring or remedial courses. Extra resources and a scholarship program for secondary and higher education students could also help.

Specialized institutions that assume a greater role in dealing with these target groups should be supported through special target programs, such as preschool head start programs. Increases in student hostel capacity could improve access to secondary schooling for students living in small communities or other target groups. Corrective institutions and institutions offering second chances should be maintained with flexible programs. Special pedagogical programs (such as complex remedial courses in basic skills and speech therapy) could help improve social receptivity and tolerance and institutional innovative capacity. All of these elements could be built into initial and in-service teacher education.

Support policy success depends on disseminating and ensuring program quality. Promising initiatives should be supported, followed up, and analyzed for cost effectiveness and overall success. Target programs and earmarked grants must be monitored. Traditional research projects should make more thorough analyses of these programs and grants.

Quality Assurance

All actors in the Hungarian educational system concur that quality assurance is the most important theme of public education development, yet it also is the field of least experience. Consequently, it is the easiest area in which to create a societal consensus and to propose varied development possibilities.

Three major principles should be borne in mind. First, a quality assurance strategy requires active central government participation. Second, several actors are simultaneously involved. Third, quality assurance guarantees must be developed to preserve the advantages of local responsibility.

The significance of quality and the uncertainties involved in resolving the problem require an independent government strategy for a comprehensive quality assurance system. This means having an overview of research and development in the area and applicable international experience. It means identifying other institutions and actors, establishing a public consensus about the concept of quality in public education, analyzing problems such as content regulation or teacher employment, and improving the relation between quality assurance and legal or financial regulations. The Act on Public Education entitles the minister of education to create a national system of institutions responsible for quality assurance to complement and ameliorate current institutions. These institutions would develop assessment and quality assurance methods and tools. In addition, they would formulate national standards and indicators; compile, systematize, and analyze databases and quality surveys; produce regular reports on the educational system, with special attention to macro-level processes and intersectoral relations; and participate in activities aimed at preserving educational competitiveness and meeting European goals on quality.

Maintainers need to have their responsibilities clarified and their interest in quality assurance stimulated, particularly because they now have only minimal responsibility for assessment. They need incentives such as central and regional grants and resources for training programs because they simply lack the competence and means to assess institutions. Resources must be provided on an ongoing basis for external assessments so maintainers have external professional support to create and run an ongoing internal system of assessment and regular self-evaluation.

The county development plans that came into effect in 1997 and the public foundations that help realize them could also be used in quality assurance. To interest public foundations, some central grants provided for county public foundations could be tied to quality assurance objectives.

When a local government cannot ensure minimally acceptable service, some extraordinary support must be provided by an external expert, a special budgetary support, or an individual program or action for institutional development. For extreme situations, another local government or a private service provider must be able to make the transfer of the service possible. Institutions dealing with disadvantaged social groups face serious quality problems. They may need special innovative programs to improve education in disadvantaged communities and schools.

As local institutional pedagogical programs are created and gain experience, the scope of professional in-service training programs can be enlarged to improve quality assurance. These programs must be supported by central and local levels, as well as by the market. What are the local institutional aspirations for quality assurance? Which models can be emulated? Answering these questions could mean describing complex quality assurance models and formalizing informal control mechanisms that have been used at local, institutional, or interinstitutional levels for internal quality; feedback among educational levels; enrollment policy among institutions of the same educational level; and so forth. Replicable experiences could be published and funded by a centrally financed target project. Quality assurance must become a widespread social concept. Everyone involved in education, directly and indirectly, should be concerned with it.

Financing and Financial Administration

Scarce resources aggravate problems of inequality, quality, efficiency, and transparency. Because public education financing is built into the overall financing system of public administration, education financing is tied very closely to macrolevel budgetary processes. Whether the issue is raising teacher salaries, developing infrastructure, or properly providing operational costs, the most important measure is determining specific tools within the general system of local government. Developing infrastructure requires setting sectoral policy within general regional development policy.

The 1996 amendment to the Act on Public Education led to more centrally defined parameters for defining the financial needs of institutional operations. These parameters need to be further developed, tested, and gradually introduced with respect for actors at the lower levels of the system of shared responsibilities and to ensure a consensual response.

Regional planning can be one of the most effective tools for creating the professional training structure that meets the demands of the economy and for forming the institutions required for using the labor force more efficiently. If the Vocational Training Fund is to be more efficiently distributed regionally, the institutional infrastructures of regional planning must be improved.

An information and statistics system is needed to provide and monitor information on the basic data of financial administration and on resource distribution to enable the government to see which institutions and maintainers follow centrally defined parameters.

More feedback on financing practices, good solutions, successful models, more efficient administration or associations, and other local solutions is necessary. School heads in particular must be competent financial administrators and must be trained in school management training infrastructure.

Target and task financing, which complements normative financing, allows the central government to support tasks outside the purview of normative financing. These approaches are major tools for compensating inequalities and for supporting quality-improving innovations.

V. Conclusion

The most important characteristics of educational administration in Hungary are the shared responsibilities and the high degree of local autonomy within the framework of national regulations. Local autonomy and responsibility have considerably enhanced the capacity of the Hungarian public education system to adapt and innovate in response to changing societal needs. In a context of economic decline and public restrictions, this system has proven especially useful for bringing in external resources and has encouraged local initiatives. Shared responsibility in education has played a very positive role in developing local democracy and individual responsibility in Hungary. Competition among schools has contributed to a rise in educational quality and a broader choice of programs.

Developments in recent years have proven that this system can basically guarantee the most important objectives of public education. Problems of equity, quality assurance, and efficient use of resources remain, however. The great variety of programs and regulatory inefficiencies weaken system transparency at many points and can lead to restricted basic consumer rights.

These problems generally stem from a lack of adequate tools or the interplay of interests among the main actors. Although legislation in the education sector is more or less adequate, no responsibility is assigned for certain functions, or responsibility is assigned to uninterested or unskilled actors. In some cases, the problems can be solved by creating tools within the existing responsibility assignments. Often, the missing tool is a financial resource.

More important than the lack of resources, however, is the lack of information and preparation, which can be remedied by developing communication and information systems as well as improved training. To operate efficiently, a decentralized system requires communication, information, and feedback mechanisms. The responsible actors often have the necessary tools but are either uninterested or not accountable for their responsibility. These problems also can be resolved within the system of shared responsibilities.

Although the Hungarian system of shared responsibilities has evolved over time, the transition is by no means over. Several elements of the system are still too new for the actors to possess the knowledge and skills needed to fulfill their responsibilities or to have developed requisite techniques of cooperation and control. The learning process may significantly improve the system's capacity to realize the salient objectives of public education.

6. Poland

Ireneusz Bialecki, Dominik Mytkowski, and Rafal Piwowarski[1]

I. Introduction[2]

In the 1980s, Poland's entire educational system was highly centralized. At the beginning of the 1990s, the process of educational decentralization was started. In 1992, in the course of the decentralization process, local governments became responsible for running their own primary schools. In 1994, the Pilot Program of the Reform of State Administration was launched, establishing bilateral agreements with cities of more than 100,000 residents for the cities to become responsible for most postprimary education and preschooling. In 1996, 46 large cities were obliged to take over lycées, technical, and basic vocational schools and most of the educational institutions in their area. By the following year, the education system had evolved into an administrative mosaic. Municipalities ran all regular public preschools and primary schools, and approximately one-third of postprimary schools and educational institutions. The Ministry of National Education (MNE) retained power over teachers' employment (the Teachers' Charter regulation), education programs (unified curriculum and textbooks), and the pedagogical supervision carried out by provincial superintendents.

Before 1998, compulsory primary education began at age seven and lasted for eight years. After graduation from primary school, students chose from among three types of secondary schools (see table 6.1):

- Lycée (high school)—Four-year schooling track with a selective entrance examination and is the school most commonly chosen by those planning to enroll in higher education
- Technical—Four-year schooling track that grants a technician diploma
- Basic vocational—School for those who do not intend to go beyond a vocational apprenticeship, which usually provides for a position of a qualified worker.

Offering this choice of postprimary schools at the age of 14 was believed to largely contribute to an unequal distribution of educational opportunities (Heyns and Bialecki 1993). To better equalize educational opportunities, compulsory comprehensive education was extended by one year, and gymnasia were located in each municipality in rural areas, as intended by the 1998 reform. Postsecondary education was not widespread: less than one-fifth of all students enrolled.

In January 1998, the MNE minister announced a relatively sweeping reform linked to reform of the state administration. The effort targeted education programs, organization and teaching methods, assessments and examinations, educational administration, and pedagogical supervision. It shortened compulsory education to six years and created a two-tier postprimary system consisting of three years of general studies at a gymnasium (that is, middle school or junior high school) and three years of subject study at a lycée, leading to several postsecondary options. It defined the core curriculum, public school statutes, and preschool programs; approval conditions and procedures for programs, textbooks, and teaching aids; parameters for experimental education, testing, and

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[1] The authors would like to thank Dr. Krystyna Filipowicz for observations on financing and Jerzy Wiœniewski for observations of a more general nature.

[2] Education reform is ongoing in Poland. Analyzing governmental arrangements is thus complicated to the extent that such arrangements are still evolving.

Table 6.1. Primary School Graduates Studying in Secondary Schools, 1990–98

Type of secondary school	1990–91 Total	1990–91 Females	1995–96 Total	1995–96 Females	1996–97 Total	1996–97 Females	1997–98 Total	1997–98 Females
Total in secondary education (thousands)	537.6	267.9	603.8	302.2	593.2	296.8	615.0	307.4
Secondary education (percentages)	94.3	93.4	96.6	97.8	96.8	98.0	96.5	97.8
Lycée	22.8	33.3	30.5	41.4	31.4	42.1	32.8	43.3
Technical	71.5	60.1	66.1	56.4	65.4	55.9	63.7	54.5
Basic vocational	45.9	31.8	36.1	25.7	34.1	24.1	31.7	22.0

Note: Percentages represent proportion of previous school year's graduates. Data exclude special schools.
Source: Rocznik (1998).

standards for external examinations; evaluation, ranking, and promotion of pupils; and documentation of the teaching process. The minister clearly articulated the goals for this comprehensive reform:[3]

- Providing universal secondary education and significantly increasing the number of higher education enrollments
- Increasing and equalizing educational access at all levels
- Reestablishing a balance between the transmission of knowledge, skills training, and personality development
- Increasing school autonomy with regard to what to teach and how
- Promoting teaching quality through new methods of evaluation, career development tracks, and appropriately differentiated salaries
- Improving educational financing by increasing budgetary outlays and school revenues
- Forming partnerships between the school to the family and local community.

The central government retains control of the bulk of educational management (strategic rather than operational), setting a core curriculum that defines skills and proficiencies expected at different levels of education, determining the number of teaching hours for individual subjects and programs, and setting the financing formula. There are two other agents of central control as well: the Central Examination Commission, which sets standard requirements for testing at different levels of education, and the provincial superintendents, who act as pedagogical supervisors on behalf of the MNE minister. Many questions and issues remain, however, and the means to resolving these need to be determined. Essentially, they call for clarifying the balance of powers in education, better aligning education—vocational education in particular—with the labor market, and creating a national evaluation system for schools.

II. The Education System Today

A Brief Review of Different Types of Schools

In Poland, educational reform is closely linked to the state administration, which transferred many powers (including educational services) down the line to local self-governments. Since the administration reform was implemented in 1997, there have been three levels of self-government in Poland: provincial, district, and municipal. Rough estimates indicate that from 40 to 60 percent of all expenditures in municipal and district budgets are allocated to educational services. In general, the preschools, primary schools, and gymnasia are operated and financed by municipalities; secondary schools, vocational schools, counseling, and guidance are operated and financed by districts; and teacher training institutions are financed by provinces (table 6.2).

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[3] MNE (1998c). This document outlining the reform, as well as many drafts of the new regulations, can be found on the MNE website, http://www.men.waw.pl/.

Table 6.2. Type of School, 1996

Type of school	Thousands	Percent
Preschool	65.5	11.4
Primary	342.6	59.4
Basic vocational	32.3	5.6
Lycée	37.8	6.5
Technical	54.6	9.4
Instructional educational	32.3	5.6
Other (teacher training, admin., aux. inst.)	12.4	2.1
Total	577.5	100.0

Source: Author estimates.

Preschools.[4] Municipalities determine education expenditures as they see fit. A school director is responsible for expending the funds, but the municipality balances the investments for building preschools in its own budget.

Parents pay for school aids, pupils' meals, and dues for the parents' committee. They can also create a special account to cofinance current expenditures. Often, in wealthy areas, parents contribute more money to preschools that ask for extra items, such as dance lessons, sports, and field trips.

Primary Schools and Gymnasia. On January 1, 1996, the municipalities became responsible for operating six-year primary schools. They receive support from the state education subsidy as part of a general subsidy. Originally, the amount allocated to municipalities was determined on a per pupil basis. This formula-based allocation of money to municipalities included multipliers for the more expensive types of schools: rural, integrated (those that include children with handicaps), and national minority schools. The formula also referred to the number of teachers hired, their qualifications, and the given ratio of teachers per class. Since 2000, the way the amount allocated to municipalities is determined has been simplified (see section entitled Finance that follows).

Gymnasia are a new type of school introduced in 1999 by the educational reform. They are part of the comprehensive and compulsory education system and are attended by pupils aged 13 to 16, which is an intermediate level between primary and secondary education.

A municipality allocates funds to individual schools, and the principal is responsible for their allocation and use. The municipality can provide further financing for school activities, provide extracurricular lessons, increase teachers' salaries over and above state guarantees, increase nonacademic salaries and services, and—together with the provincial governor—finance educational investments.

The provincial governor and school superintendent plan investments for primary education after consulting with the provincial council. The MNE establishes outlays for construction based on information from superintendents' offices and using uniform criteria for all provinces. These funds are distributed in consultation with the relevant regional school superintendent's office under advisement from the provincial council. Municipal investment funds are remitted from the governor's budget.

Primary schools and gymnasia, like other educational institutions, may create special funds to generate tax-free revenues to finance nonsalary expenditures. The most common mechanism for obtaining extra financing is to rent out space for evening private courses, meetings, and so forth. Parents pay for pupils' meals, textbooks, and parents' committee dues; they may also pay for extracurricular lessons, which provide supplementary revenue to teachers.

Secondary Schools. The 1998 administrative reform of the state created a new level of self-government: the district. The 1998 educational reform made districts responsible for lycée, technical, and basic vocational schools. The reformers predict that about 80 percent of the relevant age group will achieve a full secondary school certificate (*matura*—baccalaureate). The lycée will offer five curriculum profiles: one academic and four offering a basis for further vocational training. In this way, vocational training within secondary education will be largely removed from the regular system to vocational courses and on-the-job training.[5]

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[4] Preschools provide childcare for children aged 3 to 6. Although attendance by 3- to 5-year-olds has never exceeded more than 50 percent of the relevant population, over 80 percent of the country's 6-year-olds attend preschool.

[5] At present, more than 50 percent of secondary school pupils attend vocational schools of various kinds (table 6.1). See Bialecki and Drogosz (1999).

The district distributes the funds independently to individual schools, where the principal or institution director is responsible for their allocation and use. The provincial governor, in consultation with the provincial council, distributes investment budgets that city councils ultimately decide how to use and redistribute.

Parents pay for extracurricular lessons, dues for the parents' committee, textbooks, and pupils' meals; they may cofinance educational investments.

The superintendent of education represents the MNE, is appointed by the governor, and implements ministerial policy. He or she exercises legal control; evaluates public schools and institutions, including assessing teaching and other activities of the school and teachers; issues licenses to establish schools; and supervises the public schools belonging to municipalities, nonpublic schools run by institutions, and private individuals. The superintendent also operates teacher training colleges and the centers for lifelong learning in his or her province.[6]

Personnel

The MNE and the Teachers' Charter define teacher qualifications by type of school. The Teachers' Charter also regulates teacher salaries, appointment rules, career path, and teaching load.[7] Although a teacher's salary is below the average salary in the national economy, the rules of appointment and teaching load constitute important privileges of the profession and are strongly defended by powerful teachers' unions, which are overrepresented in Parliament. In turn, teachers' low and not very differentiated salaries, together with the rules of their appointment, make it difficult to fire teachers; also, the low teaching load makes personnel policy difficult and the use of labor resources within a school not very effective (for basic information on composition of the teaching force see table 6.3).

Table 6.3. Teachers' Employment Status, 1994 and 1996

Employment status	1994		1996	
	Thousands	Percent	Thousands	Percent
Full time	582.1	84.2	577.6	83.3
Appointed	458.9	78.8	465.0	80.5
Unappointed	123.2	21.2	112.6	19.5
Part time	109.3	15.8	116.0	16.7
Total	691.4	100.0	693.6	100.0

Source: Authors.

Many experts consider these factors to be an obstacle to reform. After a few failed attempts, a modified version of the Teachers' Charter was finally passed in Parliament in April 2000. The most important changes affected by this modification were the institution of five levels of professional standing—trainee, contract teacher, appointed teacher, licensed teacher, and professor of education—based on evaluation and professional improvement, with the lowest level paid 2.5 times less than the highest. This resulted in a more differentiated salary system, periodic evaluation, and a more flexible teaching load of 18 to 26 hours per week.

Until now, the basic teacher salary constituted about 65 to 70 percent of total pay and depended on five educational levels and seniority. Teachers moved up the salary ladder every two years, independent of the quality of their work. The salary increase based on seniority was not substantial, however. After 30 years of work, the total increase was only around 40 percent. To earn more, teachers could chose to teach overtime (more than the regular 18 hours per week) to a maximum of 26 hours per week, work in special schools and institutions, teach in rural areas, or work toward a vocational specialization degree.

A principal can reward good work with an increase of up to 20 percent of basic pay (a motivational supplement). However, principals tended not to reward the best but to distribute the overtime and bonuses at their disposal evenly, rather than on the basis of merit and good work.[8] Furthermore, evaluation of a teacher's work was of a formal nature and not linked to quality. Thus, the centrally set rules of payment as well as principal policy in distributing rewards did not work to stimulate good performance.

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[6] Although the superintendent operates teacher training colleges, he or she has no control over the teacher training courses offered at universities because these are autonomous institutions of higher education.

[7] Teaching load is the limited number of obligatory teaching hours per week, the so-called *pensum*. At present, this is 18 hours in both primary and secondary schools. More teaching hours in a week are defined as overtime; a teacher may accept overtime and is paid extra for these hours.

[8] Note, however, that good teachers are not employed overtime if it requires terminating poorer teachers. Preretirement teachers often get overtime work as this increase serves as the basis for calculating their pension.

The new Teachers' Charter offers more in this respect. Salaries are more differentiated, and evaluation is more substantial and is linked with rewards. However, the use and effectiveness of these instruments depends on the individual policy and attitude of each principal.

In locally operated schools, teacher salaries are municipally funded and determined by the school principal; the principal also decides how many teachers to hire, evaluates them according to MNE regulations, and may fire poorly performing teachers.[9]

Teacher Training

Teachers are trained in centrally funded autonomous higher education institutions (HEIs). There are two ways to train teachers in HEIs; both entail five-year programs of study: within the various departments (such as math or French) offering a special track for teachers or within a department of pedagogy. HEI training has several shortcomings. A frequent criticism is that these institutions are rather academically oriented and tend to focus on a given discipline rather than on how to teach it. Also, HEIs devote little attention to the moral education or psychological training of teachers. Moreover, the traditional HEI structure of departments organized around specific disciplines of knowledge does not correspond with the aim of preparing teachers either to teach two subjects or to develop cross-curriculum competencies. Due to their statutory autonomy, HEIs are free to set the curriculum for teacher training, and the MNE has little or no influence on what is taught. The MNE also has no influence regarding the distribution of teaching candidates across the various disciplines. Thus, for some subjects, there is an oversupply of teachers and a shortage in others.

An alternative way to train teachers is in three-year teacher colleges. Teacher colleges are higher vocational institutions that are not part of the HEI system. Consequently, the MNE has some influence on the program of study in these teacher colleges. Education majors usually spend some part of their training as student teachers. Provincial superintendents operate teacher colleges under their patronage. They can also manage and fund supplementary teacher training in provincial centers for teacher improvement. For teachers who want to continue their studies, teaching loads can be reduced, or extra leaves can be granted by their principal. The MNE provides specific funds to superintendents to defray tuition costs for teachers enrolled in evening or extramural studies. Recently, some HEIs have initiated special three-year teacher programs, awarding bachelor's degrees to graduates.

In disciplines and areas where qualified teachers are in short supply—such as in foreign languages and in rural areas—unqualified teachers are hired although they do not receive permanent appointments. Unqualified teachers represent an estimated 7 to 9 percent of Poland's teaching staff (see table 6.4).

Principals are selected from the ranks of teachers and are appointed to their post after a competition. A screening commission selects the final candidate but does not exercise any supervision of the principal after approval. The composition of the screening commission is not balanced; it gives too much influence to the teachers' representatives. The superintendent of education approves the candidacy, and the local government (municipality or district) authority makes the appointment if no objections are raised within two weeks. The superintendent approves the principal's work and teaching staff appointments in schools run by a local government.

Locally, municipal offices hire and fire school principals and approve principals' annual staffing plans for their schools. The local government

Table 6.4. Teachers' Educational Level, 1996

Education level	Percentage
Secondary and incomplete secondary[a]	7.6
Teacher's college	22.8
College (higher vocational schools)	1.1
HEIs	68.5
Total number	577,000

a. 1,803 teachers (incomplete secondary).
Source: Authors.

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[9] A principal usually terminates poor teachers employed for a specific period at the end of the school year. Better teachers resign more often than do poor teachers as they tend to obtain more attractive jobs.

administration works with the superintendent to evaluate a school and its principal; the municipality oversees finance, personnel, and administration although some administrative responsibilities are evaluated jointly with the superintendent, whose area is more academic. When evaluations diverge, a team including the superintendent or vice superintendent; an inspector from the superintendent's office; and representatives from the local government, the school council, and the school trade union make a joint decision. The superintendent has the final say and can close or take over a school if the recommendations are not implemented.

Nonacademic staff does not fall under the purview of the Teachers' Charter, which gives local governments considerable flexibility concerning their working conditions. Nonteaching staff negotiate their contracts through a collective labor agreement with employee trade unions. Principals can hire and fire them, can define their salaries, and can also assign them to training courses. Municipalities train school bookkeepers, administrative workers, and so forth.

Curriculum, Quality Control, and Teacher Training

The MNE defines the core curriculum for each subject, grade, and type of school and the distribution of teaching hours among the subjects or groups of subjects being taught. The core curriculum describes the skills and knowledge that should be imparted within a given area. In the first three years of primary school, learning is integrated; there is no distinction among subjects. In the remaining three years of primary school and in the gymnasium, subjects are taught in blocks. Lycée teaching is organized by traditional subject categories. More specifically, lycées can choose from among five curriculum profiles:[10] academic, technological, agricultural and ecological, social, and arts and culture.

The MNE has established the Central Examination Commission, which defines standard requirements relevant to the core curriculum and prepares tests to be administered after every level of education. Tests following primary and gymnasium schooling are intended to serve in orienting and guiding pupils;[11] tests after lycée are used both to assign baccalaureate certificates to school leavers and as an entrance examination for HEIs.

Teachers and schools are free either to set their own teaching program or to select a ready-made one proposed by the MNE; they also choose their own textbooks. The MNE establishes procedures for reviewing textbooks and compiles the list of experts authorized to do this review work. Textbooks, like the curriculum, are selected in a relatively rigid manner, yet no measurement system is in place in Poland to determine whether the educational programs or their textbooks are succeeding.

Prior to the reform, Poland had no standardized research instruments or any clear criteria for assessing schools; therefore, no national or provincial student assessment was possible. School inspections carried out by the provincial superintendent's office were formal in nature to determine whether the class sizes, grades, programs, textbooks, and teacher qualifications were as prescribed by law and regulations; they did not assess the actual quality of school work. The superintendent ensured that compulsory school requirements were observed, oversaw teaching, and assessed teaching and teachers' working conditions, schools, and teachers' educational and other activities. The superintendent's school inspector reports were not made public. Similarly, there were entrance examinations to secondary schools and HEIs, but entrance and exit exams were prepared and organized by the schools themselves with no reference to standardized instruments. Consequently, fair grades in good schools represented better proficiency than good grades in bad schools.

In summary, all the assessment instruments—entrance and exit exams, grades, and the proportion of those passing internal exams—had little objective value. Grades referred to the group average and were not comparable from school to school. Neither objective assessments of the school nor of the pupil were possible.

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[10] Actually, the local self-government chooses the lycée profile in accordance with the needs of the local job market.

[11] This is the MNE's declared intent; however, fears that these test results, rather than entrance examinations, can be used for selecting pupils and ranking schools seem justified.

Up to now, the MNE centrally defined curriculum details and teaching were based on the same textbooks across the country. Principles of internal (within school) student assessment and promotion to consecutive grades were strictly defined, but there was no reliable, objective, and standardized tool for assessing schools or pupils. Now the reform has introduced the reverse situation. Schools have more latitude regarding what to teach and how, and the assessment instruments are objective, standardized, and comparable from school to school.

Finance

Money for education comes from two different sections of the central budget: a general subsidy for local governments and investments. The educational subsidy is part of a general subsidy allocated to municipalities and districts. It constitutes no less than 12.8 percent of planned state revenues for the given year. Money is distributed and sent from the Ministry of Finance to self-government accounts in 13 equal installments.[12] Money for investments comes from the investment portion of the central budget as a special-purpose donation calculated on the basis of MNE estimates and distributed to the provinces. These estimates are based on reports from the provincial superintendent. Often money is allocated to given provinces under the condition that the local government cofinances the investment with its own funds. Municipalities and districts usually add money from their own revenues.[13]

Municipalities finance all institutions up to and including preschools, primary schools, and the newly introduced gymnasia, which municipalities now operate (see table 6.5). As the independent allocator of funds, the municipality has a great deal of freedom in defining aggregate educational outlays and their use for each institution. National data for primary schools in 1996 (the first year in which local governments were required to operate all primary schools) indicate that wages and maintenance, with the exception of investments, on average exceeded by 11 percent the state educational subsidy sent to municipalities. The rich metropolitan municipalities in particular have substantially increased the subsidy with their own funds although approximately 500 typical rural municipalities with small budgets did not spend their entire subsidy on current operating expenses.

Table 6.5. Funding for Education

School	Main source of funding
Preschool	Municipality
Primary	Municipality
Gymnasium	Rural and urban municipalities
Secondary: lycée and vocational, some postsecondary	Rural and urban districts
Teacher training colleges, including prof. improvement institutions, some postsecondary, and centers for lifelong and adult education	Provincial self-government
Branch postprimary	Ministry

Source: Authors.

Municipalities are free to set their own rules for allocating money to schools (see table 6.6). Case studies carried out in five municipalities (two urban and three rural) in 1999 indicated that these rules differ. Some local governments may pay on the basis of the budget outlay sent by the school; others may use last year's school budget; some may take into account the amount expended on teachers' salaries; and still others may use the per pupil formula set by the MNE (Drogosz 1999).

Schools can rent out their facilities to raise additional funds for current expenses other than salaries. Earning potential varies greatly among educational institutions that range from the privileged large urban institutions to the less privileged rural schools.

In the wake of debate and implementation of reforms, the rules for funds allocation are becoming more simplified. The new rules for school financing issued by the MNE for the year 2000 are the same for municipal primary schools and gymnasia, district secondary schools, and provincial teacher training schools. The educational subsidy, as part of the general subsidy for municipalities, districts, and provinces, is calculated based on the number of pupils and weighted based on different pupil categories. The basic amount

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[12] In Poland since the Socialist period, employees have received their salaries in 13 installments per year (an extra payment is made in March).

[13] See the MNE website http://www.men.waw.pl/.

Table 6.6. Current Operating Expenses per Pupil in Primary Education by Type of Municipality, 1998

Municipality	Population	Exp. per pupil (zloties)
Urban	≥ 100,000	1,816
	50,000–99,999	1,687
	20,000–49,999	1,668
	10,000–19,999	1,661
	5,000–9,999	1,718
	< 5,000	2,140
Urban, total		1,728
Mixed: rural-urban	≥ 20,000	1,851
	5,000–19,999	1,979
	< 5,000	2,177
Mixed: rural-urban, total		1,957
Rural	≥ 10,000	2,166
	5,000–9,999	2,210
	< 5,000	2,275
Rural, total		2,226
Country average		2,101

Source: Golab and Leszczyński (1999).

for primary schools, gymnasia, and lycées is the same. For the year 2000, it is 1,930 zloties (around US$470) per pupil per year. In this way, the oft-cited principle that the money follows the pupil is implemented.[14]

The formula applied uses 14 categories of pupils and corresponding weights to reflect variation in the costs of teaching. The most important of those weightings are rural area, 1.33 per pupil; small city, 1.18; and vocational school, 1.15. Nonstate school pupils are weighted at –0.50 and receive only 50 percent of the state school financing amount. Weighting is being introduced for optimizing a school network (–1.30); the underlying assumption is that closing down small schools and organizing bussing for pupils requires extra money.

The MNE cites rationalization of expenditures to explain these changes in the method of allocating the educational subsidy. Until now, per pupil costs in primary schools were higher than in secondary schools and varied considerably across vocational schools and districts because they were calculated arbitrarily and the use of teacher labor was not very effective (see table 6.7). It is believed that setting a weight of 1.33 for rural pupils will lead to optimization of the school network, replacing small and more expensive schools in rural areas with larger and less expensive schools. The subsidy no longer depends on teacher qualifications, number of teachers, or other employees hired.

Table 6.7. Pupil/Teacher Ratio by Type of School, 1996

Type of school	Pupil/teacher ratio
Primary	14.6
Lycée	18.9
Secondary technical	15.9
Basic education	21.4

Source: Authors.

Municipalities and districts set their own rules of allocation based on history, pupil numbers, or a combination of these factors.[15]

Municipalities and districts subsidize at least 50 percent of operating expenses per pupil in all nonstate educational institutions. The subsidy is determined for each school. Supplementary financing in individual municipalities and districts varies according to expenses incurred from public sources and therefore indirectly reflects a community's affluence.

The per capita financing of 50 percent of average operating expenses of public schools, remitted in monthly lump sums, is much lower than the actual expenses incurred for private education. This is understandable, given that private schools have generally higher standards and better conditions. Not only is the 50 percent subsidy insufficient, it is also difficult to obtain. Applications must be filed a year before the beginning of the targeted school year, must specify enrollments, and must include a pledge to inform local government about changes and to make monthly reports. Many private and institutional school owners complain of frequent delays.

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[14] This money is also referred to as an educational voucher.

[15] See the MNE website http://www.men.waw.pl/ for new regulations and archives.

III. Problems and Solutions

Policymaking in education today is determined almost exclusively by the administration and the powerful teachers' trade unions. The labor market, employers, pupils, parents, and higher education institutions have too little say in educational matters. As the process of decentralization unfolds, the center will continue to define educational policy and will need a sound information system to assess national needs. The MNE will also continue to be responsible for the Teachers' Charter and the issues pertaining to teacher training and qualification, core curriculum, definition of financial formulas, and distribution of funds to local self-governments. Because education is a public good, it lies with the central powers to ensure the appropriate balance of influence by different stakeholders in such a way as to promote common interests without the dominance of those who have greater bargaining power.

Optimizing the School Network: Urban Versus Rural Schools

Poland, with a population of around 38.5 million people—38 percent of whom live in rural areas—is divided into 16 provinces, approximately 300 districts, and 2,486 municipalities; of these latter, 1,602 are rural, 316 are urban, and 568 are of a mixed rural-urban nature. An urban district has approximately 80 primary schools and 24 gymnasia; a rural district has approximately 16 primary schools and 8 gymnasia. The MNE estimates an average of 10 primary schools and 3 gymnasia in urban municipalities, compared with 2 primary schools and a single gymnasium in the average rural municipality (MNE 1998b).

The school network is plagued with several problems, particularly in rural areas. The rural school network needs extensive transformation. Many schools need to be closed, and many larger vocational/technical schools need to be transformed into either gymnasia or lycées. This is because of the excessive costs entailed in running small schools and because of the poor quality of teaching in rural vocational schools that recruit the weakest proportion of primary (elementary) school leavers.[16] Many rural schools are small primary schools that do not cover all grades or have too few pupils.[17] Teaching here is more expensive because teachers' work cannot be used effectively. It also gives poorer results; rural graduates are more often unemployed than are urban graduates. Average class size and student/teacher ratios are lower than in urban areas; thus, per capita costs for vocational students are higher than for lycée students. Postprimary schools in rural areas are mostly of the lower level vocational type, but lycées are overwhelmingly located in urban areas.[18] The network of postprimary schools does not satisfy the needs of rural development; there are too few lycées and technical schools. Many rural postprimary schools are lower level agricultural schools that prepare pupils for unneeded specialties.

Replacing small schools with less numerous larger ones will increase the distance between schools. Effective busing for pupils in rural areas should be organized. This involves developing the road network and public transportation, making more minibuses available to municipalities and schools, increasing the numbers of properly trained drivers, organizing waiting rooms in schools, and furnishing meals. In very thinly populated regions, busing routes must be organized to avoid overly long bus rides.

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16. A December 1998 survey of students showed that students in predominantly rural lower level vocational schools scored lower than urban students. The 17-year-olds attending secondary lower level vocational schools scored lower on average in numeracy, information handling, and critical thinking compared to elementary school students three years younger. This suggests a negative selection during the transition from elementary to lower level vocational schools; these latter schools are being chosen by the weakest elementary school graduates (Bialecki and others 1999).

17. In 1997–98, of 19,299 primary schools, 1,440 had fewer than 80 pupils and fewer than 10 pupils per class (*Gazeta Wyborcza* 1999). The Central Statistical Office survey conducted in September 1999 indicates that 18 percent of average municipal schools have fewer than 100 pupils, and that in 30 percent of all communities, the average class size is under 18 (MNE 2000a).

18. "More than 98 percent of the pupils of general education lycées are pupils of urban schools, whereas 38 percent of Poles live in the countryside" (MNE and Ministry of Agriculture and the Food Economy 1999, p. 12).

Poverty and the difficulties of brokering different interests, however, make it hard to introduce change in the poorer rural municipalities, which must, nonetheless, address rationalization. Some small primary schools should be closed but are not because parents, teachers, or both are actively opposed to the closure.[19] Some other rural primary schools ought to be changed into gymnasia.

The plan to replace the existing school system with a six-year primary school, a general three-year gymnasium, and a three-year lycée leading to the secondary school certificate will give rural youth more opportunity for further education by making schools more accessible to them. Fourteen-year-olds will no longer have to select lycée, technical, or vocational schools, and the early, sharp segregation by social background and school achievement will thereby be eliminated. Reformers plan to have most students move to a secondary lycée from the gymnasium.

Local governments must pursue appropriate educational policy that better uses resources and reduces differences in educational achievement, yet local governments have problems in administering education, including the ability to make the decision to rationalize the school network.[20] Indeed, many municipalities failed to close schools with few students, rationalize teachers' work, or plan for a more rational use of human resources in general. Weak, inefficient local educational policy seems to result from poorly prepared local government staff who give teachers' interests too much weight.[21] Additionally, no procedures or mechanisms exist for making local policymakers accountable to a broader range of stakeholders.

Quality and Relevance of Education

Education policy lays out educational goals and an evaluation and monitoring system to measure how well the system functions and how well goals are achieved. Monitoring and educational research supply policymakers and stakeholders with the data and indicators that help in reaching consensus regarding the goals pursued and that provide support for policymaking.[22] Yet pedagogical supervision today consists primarily of verifying whether teachers abide by the prescribed number of hours per subject or the teaching program, yet skills taught, the effectiveness with which they are taught, and their utility for pupils go largely ignored. A monitoring and evaluation system is essential to measure not only the success of education, but the success of reform as well.

Poland's long-standing student and school assessment mechanisms are very formal and subjective and do not allow for comparisons. There has been no mechanism to define real educational outcomes. If students cannot be evaluated, it is similarly difficult to evaluate teachers. The student assessment system lacks standardized criteria and an external, independent control and monitoring system. Moreover, no suitable channels of communication exist between schools and consumers of educational services. This gap in institutionalized cooperation between the school system and its partners makes it difficult to adapt the definition and indicators of educational quality to their expectations.

The lack of clearly defined assessment criteria means that similar student skill levels differ among schools. Without assessment tools, no schools, teachers, textbooks, teaching programs, principals, or superintendents can be compared.

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[19] In some municipalities, parents have organized protests and strikes, occupying the school buildings threatened with closure.

[20] In June 1999, the United Nations Development Programme and the World Bank commissioned a survey in six communities and two districts of heads, treasurers, and education administrators of local governments. The survey team gathered and analyzed education-related documents from school superintendent offices and municipalities. The resulting report dealt with the new responsibilities in municipalities and districts that had resulted from the reform. It also addressed rationalization of the school network, which involved closing small schools and organizing gymnasia. The study showed that district governments are still in the process of organizing. Although most district staff have no experience in education management, districts now run secondary schools. See Drogosz (1999).

[21] Many communities make decisions regarding school closings in consultation with the council of principals of local schools, which naturally is opposed to closure and generally tends to protect teachers' jobs. This consultation does not make elimination of ineffective schools an easy task.

[22] For instance, a survey measuring functional literacy conducted in Poland in 1995 initiated debate in the country as to what should be the outcomes of education: academic knowledge or practical skills. It was ultimately agreed that testing cross-curricular skills should be a good indicator of school work. For information on the survey, see OECD and Statistics Canada (1995).

The role of provincial superintendents and their staff was to inspect schools, but their task was of a formal nature. They were checking whether schools operate in accordance with the law. More specifically, they were checking class size, school programs, grades, and whether pupils were given examinations frequently enough. Pupils and parents informally rate schools on the basis of the success of their graduates in entering preferred secondary and higher schools. Schools are not required to reveal the success rates of their graduates; some municipalities and cities attempt to use these assessments to informally rank secondary schools.[23]

The reform proposes three standardized tests based on nationally comparable standard requirements: at the end of primary school (sixth grade), after gymnasium completion, and upon graduation from the lycée (the baccalaureate or *matura* examination). This last test can also serve as an entrance examination to higher education. Both the primary school completion test and the external assessment administered upon completion of gymnasium schooling will help orient pupils by evaluating their knowledge, skill levels, and aptitudes. Only the *matura* will serve as a selection tool.

Standardizing student assessment is the most advanced of the reform projects. A new secondary school certificate program reflecting this standardization seeks to harmonize examination requirements and evaluation criteria. The new secondary school final exam will include internal and external written components administered at testing centers. Student achievement should be measured with respect to a specific standard. The planned hierarchy of requirements includes two levels of lycée final examinations. The lower level would cover useful basic knowledge and skills; a higher level examination would be required for pupils planning to enroll in advanced studies.

To implement the proposed standardized national system of tests and examinations, a Central Examination Commission and eight provincial commissions have been created. The commissions have already defined standard requirements as the basis for examinations and will analyze the results and will submit annual achievement reports to the MNE. The commissions will also prepare and disseminate teacher programs on evaluation and examination, maintain a registry of examiners, and promote scientific studies and innovations in evaluation and examination. The provincial commissions will prepare, conduct, and analyze tests and final examination results; transmit the information to provincial superintendents; and train examiners.

The proposed system reflects an effort to shift evaluation from its current focus on pupil screening to an instrument for guiding the learning process. Unfortunately, the proposed system does not involve feedback, which the teachers and pupils need. Moreover, it is still possible that tests administered at the end of each level of education will continue to serve as a selection tool and entrance exam.

The Changing Roles of Key Actors

The actors influencing the functioning of education operate at different levels of administration and exercise their influence in different ways. Some are institutionalized; some are not. Those worth analyzing at this point in time include

- Parents and pupils
- Local self-government
- The superintendent and his or her staff
- Teachers
- School principals
- The advisory boards and councils that make recommendations and influence decisionmaking, including the teacher councils operating at the school level (pedagogical councils); school councils composed of teachers, parents, and other school-level stakeholders; and educational councils operating at the self-government level (note that these latter two types of councils are optional, and, in most cases, are either not established or are inactive).

With the reform, more responsibility for educational decisions has come to rest at the local authority level. Local authorities allocate money to schools and appoint school principals. Together with the superintendent, they share the power of opening and closing schools. However, they do not seem well prepared to take over these responsibilities; this is especially true for districts, the newly created level of self-government. The new education law must clearly define the principal's role and balance the responsibilities and powers of principals with adequate means and a clear system and hierarchy of accountability.

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[23] As opportunity in the job market and salary depend more and more on the type and level of education achieved, education and choice of school are increasingly seen as an investment. That is why ranking secondary schools, and lycées in particular, is becoming more popular in response to growing expectations among parents and pupils. There are now many journals that publish their own school rankings for a given province or large city.

A principal has more autonomy and more responsibility than in the past for the quality of a school's work and for building and allocating resources to achieve the best educational outcomes. If financing is based on per capita instruction costs, the principal's powers should be sufficient to give him or her some leverage in manipulating various parameters —instructional hours and numbers of pupils and teachers—to get the best results. Within budgetary and regulatory constraints, the principal should be able to hire and fire staff; define teachers' employment, teaching load, salary, evaluation, and promotion; and establish principles of cooperation with other schools.[24] Because they are selected by a commission in which teachers have the majority of votes and are drawn from the ranks of the teacher corps, principals rarely challenge the teacher workforce or the teacher unions. Merit raises, for example, are rarely implemented.

Parental expectations may influence educational policy in two ways. Parents are organized in parental committees operating at the classroom level. At this level, they can and do exert pressure regarding the curriculum, quality of teaching, extra lessons (such as in foreign languages or computer skills), and so forth. However, parents who hope to obtain the best possible education for their children tend to develop and implement individual strategies rather than incite collective actions. Parents lend their support to the principle of freedom in choosing a school, but only those in wealthier, urban areas benefit from implementation of this principle. Free choice of schools and requests for better education may lead to differentiation among schools in terms of quality and learning outcomes. In general, then, parental expectations exacerbate rather than mitigate against inequity at this level. On the other hand, parental expectations also influence public opinion and the debate arising around education. Thus, at this level, the issue of equity—one of the declared objectives of the education reform—may obtain more support as well as result in lobbying to spend more on education.

Teachers influence the functioning of education at different levels and in different ways. Teacher unions operate at the central level. Their representatives are in Parliament, both in the governing coalition as well as in the opposition. The MNE is drafting new legislation that it will send to the teachers' union for comment. Teachers are represented in the commissions that select and appoint school principals. Finally, the pedagogical councils that review principal policies are made up of the teachers that work at the given school.

The pedagogical council, the local self-government, the superintendent, and the local educational council check the powers of the principal, whose accountability should be based on student achievement. The pedagogical council can move to fire a principal, define the rules and regulations of a principal's activity, and express opinions on requests to grant awards and on the draft school budget. The reform proposes using voluntary bodies—school councils and educational councils—to influence policymaking. Today, their role is consultative and advisory; they submit proposals on issues on which they wish to take a position or to express an opinion. An amended law increases the scope of council authority to expressing an opinion on local government budgets and on decisions concerning the school network (MNE 1998a).

An educational council is to be established at the discretion of the municipality, district, or provincial assembly, which will also determine its composition and the procedures for appointing members and for defining the rules governing its activity. By the end of 1998, only one provincial unit had created an educational council; in most municipalities and districts, educational councils have not been organized.

No institution represents the interests of the wider group of consumers of educational services, though, which is a particular problem in rural areas where libraries, community centers, higher education institutions, and so forth, are few and far between. The education management system has no institution that holds the school principal accountable to the different educational consumers. Such an institution could also formulate a comprehensive provincial education policy, translate it into clearly defined tasks for schools, and thereby hold principals accountable.

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[24] This would mean abandoning statutory teaching loads and overtime. The principal knows how teachers divide their time among lessons, preparation, and nonteaching duties and should assign teaching duties without exceeding generally accepted working norms. Trade unions should ensure that workloads are reasonable. After being appointed, a teacher can be dismissed only for disciplinary reasons or after two negative evaluations. The procedure is complicated and slows action considerably. Evaluation procedures can undo negative assessments.

At present, neither school, education council, nor local councilors fill the active role of holding local educational policymakers accountable. To some extent, this is the role ascribed to the superintendent and his or her staff that represent the MNE in each province. The superintendent's primary task is to supervise teaching and to encourage pedagogical innovation. Together with inspectors, the superintendent can make recommendations to the principal for response within a given time; if this deadline elapses, the superintendent may press the local government to remove the principal. Also, the local government can only close a school with the superintendent's approval (MNE 1998a).

The local self-government verifies budget implementation but has no power to supervise teaching. The law proposes differentiation of the work of the superintendent and the local self-government, but sound administrative assessment is difficult without substantive criteria. What is the best division of powers between the superintendent and the local self-government? Regarding teaching, should the superintendent act through the local self-government, as the reform proposes, and the local self-government act through the superintendent in didactic (pedagogical) matters? The superintendent also prepares summary reports on education in his or her province. How objective, and for how long, can a provincial appointee be in an area subordinate to him or her for which he or she will be held accountable, particularly because office staff would include school supervisors?

New regulations are planned for the superintendent's office. These will define the principles and procedures for delegating supervision to qualified persons, creating training programs on pedagogical supervision, and establishing new legislation on the principles of pedagogical supervision and the organization of the superintendent's office. Supervisors will rely, as planned in the reform, on appropriate tests and indicators.

The powers of the superintendent remain unclear and not well balanced. He or she is to report to the MNE on the status of education in his or her province; he or she is also supposed to advise local government and to make recommendations to the school. However, neither the legal nor financial instruments at the superintendent's disposal seem sufficient to influence policymaking at both the school and local government levels, particularly when neither level is interested in the changes recommended by the superintendent.

Educational councils could serve as an agency for local monitoring and accountability that are able to coordinate and meet the expectations of the various stakeholders involved without yielding control to either teachers or parents. These councils could still make local policymakers and principals accountable to all stakeholders in defining quality and educational goals.

A completely modified educational council could play a key role in monitoring and evaluation. It could combine the prerogatives of the competition commissions in terms of selecting school principals with the functions of the supervisory bodies that hold principals accountable. The council makeup would have to represent the consumers of educational services, which means reducing the current influence of trade unions and representatives of pedagogical councils—teachers—in favor of parents and pupils, local government, local communities, the local labor market (employers and employment offices), and the superintendent. Representatives of local government, local consumers of educational services, and the superintendent's office would occupy more than half the positions on the council; the other seats would be distributed to representatives of teacher groups and trade unions. Unlike the current school councils that operate in the school area, these new educational councils would be located at the municipal or district level, depending on local conditions, such as the density of the school network, the financial options of local government units, the specific features of the local labor market, and so forth. The council's area should be sufficiently large for an autonomous educational policy and for the coordination of tasks in the local area. The number of educational councils in a province would be determined after the school network has been rationalized.

In small towns or rural districts with low-density school networks, this would reduce operating costs because the council could conduct comprehensive educational policy for primary and secondary schools. The district perspective also makes it easier to link educational policy to local labor market needs. The drawback is the distance of the council from the municipalities that run the schools and from the schools themselves.

For urban municipalities that operate many schools, especially for those in large agglomerations, educational councils would effectively supervise the work of a limited number of schools. For municipalities that run one or two schools and that provide services to a neighboring municipality, the two municipalities could agree to run their schools jointly. The prerogatives of educational councils should make it possible to

- Define a provincial educational policy, including recommendations on education, its relation to the labor market, coordination of educational institutions, additional training, and school network corrections
- Hire and fire school principals and receive annual or biannual financial and substantive reports
- Inform local government and other partners of school activities
- Make contacts with the national monitoring unit, mediating between local government, the superintendent, parents, and the principal.

Three important questions concerning educational councils need to be addressed:

- What should be their relationship to local governments that operate schools in their area? Should full-time employees be appointed and paid by local self-governments?
- What prerogatives should the educational councils have in financing education in the area subordinate to them? Should they be able to express opinions on the disbursement of local self-government money for education? Should they have their own small fund to provide additional financing for special tasks? Should they have a decisive influence on the distribution of money for education in the province? The role of educational councils would be very limited if they could evaluate, recommend, and formulate educational policy in their area, but they could not influence finances or other means to implement their recommendations.
- What should be the relationship of the superintendent, as representative of the central administration, to the educational councils?

The Teaching Profession

The status and remuneration of teachers need improvement. Although there is no documentary proof that only poor students become teachers, low salaries and requirements, and relatively poor teacher education, suggest that negative selection in relation to the teaching profession does exist. In general, high-achieving secondary school graduates enroll in courses other than teacher training at universities, and the weakest students chose pedagogical tracks. Long-range strategies are needed to change this. Policy must also be formulated with trade unions, salaries must be raised, recruitment to higher education and teacher training must be changed, and the principles of professional recruitment and the career ladder must be modified.

The reform proposes most of these changes in the revised Teachers' Charter. In the amended law, local self-governments will employ teachers. This will facilitate rationalizing employment at all levels. However, if local self-governments employ teachers and the MNE defines their salaries, the balance of power may be upset. Teachers' trade unions negotiate working conditions with the central government although substantive requirements or job content should be settled with the local self-government and the school principal.

There were an average of 14.9 pupils per teacher in Polish primary schools in 1999. If this ratio were increased to 20 pupils, the total number of teachers hired could be reduced 25 percent.[25] This would reduce overall operating costs by 21.7 percent, assuming teacher salaries are held steady. To achieve this result, class size needs to be increased, and changes need to be made to the school network. Alternatively, the teaching load could be increased; in this case, the reduced number of teachers could earn more. However, the revised Teachers' Charter makes dismissal of appointed teachers difficult, and the standard teaching load is set at 18 hours per week. A maximum of 8 hours of overtime (for a total work week of 26 hours) may be introduced only as part of a special contract agreed to by the teacher.

As teachers' salaries gradually meet and exceed the national average, they should be regulated by the labor code; special regulations such as those included in the Teachers' Charter seem not to be needed. Abolishing the unnecessarily rigid and low teaching load, which limits the rational use of labor and teacher qualifications, and widening salary ranges would make it possible to pay higher salaries to better teachers, to employ better teachers for more hours, and to enable some teachers to work in two schools or part time. The principal should be free to use teachers' time within the current regulatory framework. Proper accountability will guarantee that teachers are not exploited and will enable principals to drop the equal remuneration policy presently encouraged by various teachers' representatives and councils.

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[25] In 1999 in all primary schools, there were 3,887,042 pupils, and 260,611 teachers were hired (MNE 2000b).

Principal salaries, which are virtually the same as teacher salaries, should be results based, such as a product of student test score increases, budget use, and recruitment. Assessment done by the educational council should be based on annual, standardized school reports and on the school's added value, that is, the increase in average scoring between those entering and leaving school.[26]

Teacher education programs and philosophy must also be revisited. Teacher training within and outside the university system is not always suited to the needs of primary and secondary schools, nor does the teacher training system train teachers to work in rural schools with combined classes. University schools recruit the largest number of students to teacher training courses, but programs of courses reflect their own staff strengths rather than the actual needs of schools of different types and levels. Graduates very often do not go on to become teachers. The MNE should be responsible for teacher training programs, and teacher colleges and lecturers should have only a limited role in formulating these programs. In general, teachers enrolled at the university are better trained in the discipline to be taught, but teacher colleges located outside the university system train teachers better in how to teach.

Autonomous institutions of higher education, responsible for recruiting students and for developing curriculum, should teach future teachers to function in virtually any context. Teachers must learn to be more innovative and to be prepared for pedagogical processes rather than subjects. They should learn to use computers.

The MNE and local self-government authorities must design adequate policy for training managers quickly and adequately. Contracts between local authorities and provincial colleges would help in better forecasting teaching needs, provide additional funding for the teacher specializations in shortest supply, and provide further funding for public and nonpublic colleges. Graduates enrolled in funded specializations would have to teach in their area or reimburse the costs of their education.[27]

In thinly populated rural areas, teachers should be prepared to teach two subjects, which would increase their course loads in college. Combining classes could be another solution and would teach pupils how to cooperate and would help them develop teamwork skills that are often difficult to inculcate in large classes. Municipal authorities and school principals should agree on how to employ teachers in rural schools. Municipalities must define commuting conditions on the basis of existing organizations and available finances, but busing should be only one element of a solid rural education. In areas with dispersed settlements and small schools, teacher schedules should be organized to allow them to travel to two or three small schools rather than having to bus students. In this way, specialists would be available for each subject and full-time employment issues would be resolved. Local self-governments would have to support these solutions with attractive loans and give teachers credits to buy cars. Naturally, those responsible for education in local government should first be trained in how to deal with these issues and should obtain adequate information on the schools under their administration.

Financing

Beginning in the year 2000, local governments will receive an educational subsidy calculated on the basis of number of pupils taught and weighted for the cost differences of various educational services provided. The special-purpose donation has been eliminated; even expenditures for equipment and rationalization of the school network will be covered by weighted enrollments. Teacher qualifications are not included in the algorithm and do not change the allocations to local governments.

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[26] Standardized national tests will be administered at the beginning and end of each level of learning. This should enable calculation of the added-value indicator.

[27] The most common shortages exist for teachers of foreign languages and math.

Educational institutions will continue to be financed by local self-government, whereas salaries—which account for approximately 85 percent of the entire budget—are set by the Teachers' Charter and regulations on public school teachers. Central regulations determine how a considerable part of the budget is disbursed; neither the principal nor the local self-government has any influence in this regard.

Self-governing provinces will be responsible for teacher training institutions and public and private in-service teacher training, pedagogical libraries, and provincial institutions; they will also be able to operate other types of educational institutions on a voluntary basis. The new provinces will take control of the network of public lifelong learning and on-the-job training centers, which should be adapted to the new structure to avoid having some institutions financed at the provincial rather than district level in accordance with the level of service provision.

The province will receive money, as do municipalities and districts, on the basis of unit costs and number of pupils. All local self-government authorities will determine the conditions for financing education in their area according to the principles laid out in their ratified budgets. The local self-government will provide schools with funds for current expenses.

The principle of educational standard costs and weights has its normative side, however. It is assumed that it will motivate local government to make spending more rational: decrease labor costs, close small and more costly schools, and replace them with those where all the parameters (class size, teaching loads, and so forth) yield unit costs relevant to the standard multiplied by 30 percent. It also sets the value of vocational training as 18 percent more costly then general education and encourages local governments to eliminate vocational programs that are more expensive.

The MNE acknowledges that the education voucher (standard unit cost of enrollment) that it is introducing to finance education more naturally rationalizes employment and the teacher selection process, improves the school network toward optimal school size, and eliminates excessively high vocational training costs in some areas. Setting the multiplier for 1.30, it is setting the norm of spending. What if future evidence indicates that poor municipalities in rural areas will try to save money and will therefore send the school less money than the multiplier provides per pupil while wealthy urban governments will usually add more money than the norm? This practice may increase the inequity in achievement between rural and urban pupils, which is already substantial as indicated by test scores.

Whether the algorithm weights really will rationalize expenditures and diminish inequalities remains to be seen. It might be more effective to give poorer districts a greater share of the taxes collected in their areas. At present, taxes that are collected go to the central budget and are then sent back to be allocated to local self-government. Many observers feel that a simpler and less expensive solution would be to finance education and other public services directly from local taxes, and that other revenues could be collected and kept locally. On the other hand, the merit of the principle of the educational standard introduced in 2000 is that it simplifies the rules of payment and makes educational policy more transparent for all the local actors involved.

Vocational, Continuing, and Lifelong Education and the Labor Market

During the Socialist period of 1950–80, more than 70 percent of primary school graduates enrolled in some sort of vocational training. Vocational secondary schools were primarily preparing workers and technicians for heavy industry. In the 1990s, the proportion of those enrolled in secondary vocational education decreased (see table 6.1). Often-cited evidence demonstrates that vocational training is more costly than general education and that there are more unemployed among graduates of vocational schools than of lycées.[28]

Cooperation between superintendent and principal offices on the one hand and provincial labor offices, trade union representatives, and employers on the other is now virtually nonexistent. As a result, teaching programs have been adapted too slowly to labor market needs. If Poland's economy is to be competitive in an open market, vocational education must be flexible and competitive. The specialties and instruction taught do not match labor market needs.

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[28] See "Vocational Training as an Integrated System," ch. I, on the MNE website http://www.men.waw.pl/. This argument is sometimes questioned, however. Data show that lycée graduates, especially women, do not have much better job prospects than graduates of incomplete lower level vocational schools.

Too many schools teach specialties and skills that have no real-world applications. Schools and employers must be systematically linked and have access to an information system that tracks labor market needs and supply.

On the basis of this diagnosis, the reform intends to limit the proportion of pupils involved in vocational training on the secondary level and to make it of a more general nature.[29] The reformers also plan to postpone a large part of vocational training either to postsecondary schooling or to lifelong learning, distance adult courses, and on-the-job training. In order to transform different types of vocational education into an integrated system, vocational guidance and counseling will be developed, and national standards for vocational qualification will be elaborated. Under the supervision of provincial examination commissions, external examinations will be coordinated to confirm vocational qualification.

Autonomous local governments, and the enabling of lifelong and distance education institutions to compete in the market with private, profit-oriented schools and firms, will reinforce the need for good local policy involving the cooperation of labor market institutions, good data and indicators, reporting to local stakeholders, and accountability. Educational policy must regulate the continuing education market, especially in terms of deciding which part of lifelong learning could be commercially and efficiently provided in order to match employers' demands and employees' expectations quickly and effectively and which part should be public and sponsored for those who need additional education but cannot afford it. In 1993–94, access to lifelong learning was, in many respects, more uneven in Poland than in comparable Organisation for Economic Co-operation and Development countries.[30] More affluent, better educated people with better jobs enroll more often in additional schooling. To mitigate against current inequalities, lifelong learning must be available for the most poorly educated, worst-paid persons residing in the countryside. Provincial employment offices should play a greater role in mediating between employer expectations and school graduates trained in certain profiles. Lasting and fruitful ties between the labor market and municipal or district schools will greatly depend on educational councils.

Rural postprimary schools require a different approach. Unequal access to education is likely to continue, but inequalities could be limited by organizing postprimary and vocational education differently. Agricultural schools should be transformed into secondary schools resembling vocational lycées or technical schools that provide a more complete general education. Alternatively, schools and different courses could educate young people, especially in nonagriculture-related services. Even under ideal circumstances, no rural vocational schools network could fully satisfy the needs of local municipalities, but better communication, distance education, and stimulation of educational aspirations of rural youth could help in this regard.

In 1997, more than 64 percent of secondary school pupils were enrolled in some kind of vocational schooling. The reform's intent of moving a large part of vocational education outside of the regular education system will create a big challenge for self-governments and local policymakers. It will require the establishment of lifelong learning centers that will coordinate the functioning of all area institutions of further education, both private and public. Ensuring the cooperation of these institutions with the labor market is also necessary. Additional problems may arise, as the remaining secondary vocational schools will operate under the aegis of district government, but provincial governments will control lifelong learning and on-the-job training. Possibly the only thing that will keep the loose confederation of public and private vocational institutions located within and without the regular educational system will be a system of external vocational examination.

Lifelong learning, although outside the education system, should be an integral part of that system. Multimedia and distance learning create new possibilities for learning and vocational education and should become an important tool in developing lifelong learning. Appropriately staffed schools should organize lifelong learning opportunities, and specialized institutions should provide intra- and extramural education that could be organized by state institutions, larger places of employment, associations, or private individuals.

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[29] Broad vocational knowledge will be delivered in lycées with a vocational orientation (profile).

[30] Bialecki (n.d.). International comparisons show that fewer persons get additional schooling in Poland than in Organisation for Economic Co-operation and Development countries. Also see OECD and Statistics Canada (1995).

IV. Conclusion

Designing and implementing reform are processes influenced by different partners and by debates in Parliament, the MNE, the media, and groups of experts. The reform involves several constituencies. Teachers are the most important and most directly involved reform partners because school results depend on how they work and, symbiotically, because their organizations, trade unions, and representatives influence education policy, albeit indirectly. Implementing reform often entails a strategy for negotiating a new agreement with teacher trade unions, creating new administrative and institutional roles, redefining training and requalification, and avoiding confusion and excessive costs. Parents are another constituency whose interests and expectations should coincide with educational goals, but whose perspectives are usually individually oriented and less inclined to collective action. Higher education institutions and the labor market are the main users of school abilities and skills, but they remain tacit and not inclined to articulate their expectations.

While the reform is gaining momentum and taking shape, it can be seen that decentralization, local discretion to allocate money to education, increased local autonomy regarding what to teach and how, and a centrally set standard and examination all offer real opportunities to improve education in terms of using money better and delivering better quality educational services. The question arises, however, as to what to do to ensure that local policymakers will use these opportunities to improve education. Conducive regulations and procedures may not be sufficient. What is missing, it seems, are good data and indicators regarding what is important and necessary for policymaking as well as appropriate motivations to fully use existing opportunities for change.

With the new regulations, principals may be able to better accumulate and use school resources, raise extra funds, hire better teachers and pay them more, and improve the quality of teaching. To do so, however, principals need to know what is the quality that they are supposed to produce and how to measure it. Properly established accountability, by means of appropriately nominating, dismissing, and rewarding, may help create adequate motivation for introducing change. For this, a local monitoring system is needed.

Accountability must acknowledge school opportunities and resources; rural lycées cannot be expected to perform as well as urban ones. Ultimately, school indicators will need to be developed and a standard school assessment spreadsheet developed to capture information on financing, test results, pupil/teacher ratios, and education levels of children's parents. An important task with regard to indicators and monitoring is building understanding and consensus around educational policy. Developing tests and questionnaires for monitoring together with representatives of employers and universities will create a shared conviction that what a school produces is relevant to stakeholder expectations. This creates an agreed-upon definition of the quality that a school should produce.

Other implicit reform goals include improving education financing, mobilizing public and government opinion to support education as a priority, and introducing the changes required in instruction. The reform must ensure that schools are effective and economically efficient and that they produce high-quality education that meets the expectations of all education partners and clients.

Research and postwar experience in several countries indicate that equity in achievement is not in the nature of a school (Blossfield and Shavit 1993). Local government striving for effectiveness, school rankings, and a push for excellence on the part of parents may minimize the issue of equity. In fact, equity may have few dedicated supporters among the stakeholders involved in educational policymaking in poor areas. At the local level, the issue of equity, declared as the main goal of reform, may be ignored. That is why clearly defined goals and the mobilization of support around these goals are needed. Perhaps it will be sufficient to define equity as providing minimum knowledge and most-needed life skills to those most exposed to school failure and exclusion.

Achieving reform goals requires a proper balance of interests among those involved in educational policymaking and those advocating adequate accountability procedures. Locally developed debate around education as well as local public opinion may be helpful. Reform always involves more efficient spending and resource use. This inevitably creates losers; not everyone benefits, as some are dismissed or forced to requalify or to change their jobs. Public opinion must be made aware, and induced to support the social costs, of rationalization.

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7. Romania

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I. Introduction

Romania covers 237,500 square kilometers and has a population of 22.7 million. In 1992, 45.5 percent of the population was under 30 years of age. More than half of all Romanians (54 percent) live in cities. Nearly 90 percent of the population speaks Romanian, the national language and the language of instruction in 96 percent of the schools. Several linguistic minorities also exist in Romania, including Hungarians, Germans, and Roma.

In the early 1990s, Romania's education system was one of the most highly centralized in Central and Eastern Europe. The Ministry of National Education determined national and local school curricula, secondary school entry and graduation examinations, and budgets, to which private sources contributed only negligible amounts. Its regional, or *judet*, administration included a school inspectorate, which had not only administrative responsibilities but also provided teacher training according to centrally formulated guidelines. Schools had no autonomy for planning or implementing their budgets, and school directors and administrative councils could not define school personnel policy. Local communities participated only to a very limited extent in managing schools. Elected local authorities had virtually no relationship with the local school system, nor did they want one.

In late 1989, Romania began to undergo a number of major political changes that affected education. The years 1990 to 1992 were a period of radical change. Efforts were made to reform the education system although no clear alternative was offered. The changes were primarily attempts to satisfy education stakeholders. Compulsory schooling was reduced to eight years, secondary education was diversified, academic lycées received renewed attention, class size and teaching loads were reduced, minority language education was permitted, and education finance was reorganized.

A readjustment period began in 1992. The Ministry of National Education needed to revise curriculum and to eliminate the highly ideological orientation of school programs. It soon became clear that a thorough reform required a systemic overhaul. Romania's tradition of a highly centralized political system, a totalitarian mentality, and the cultural attitudes it spawned were true obstacles to change and impeded legislation to that end. Moreover, there were too few experts and no political consensus on reform directions and priorities.

The World Bank conducted its first exploratory missions to support government efforts to reform the education system from 1991 to 1993. Ministry of National Education experts and the Institute for Educational Sciences, along with government representatives and World Bank experts, developed an institutional and procedural scenario for a systemic reform of Romania's pretertiary education system.

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The reform began in 1994–95 before a new education law was enacted in September 1995; it was modified again in 1997. The first education reform project began in October 1994, financed jointly by the Romanian government and the World Bank. The second major reform program began in 1995, financed by the European Union's Phare to restructure vocational education.

A national assessment examination service was created in 1998 to monitor national education quality, to provide tests and other assessment tools to measure student achievement, and to administer the two national examinations. The Ministry of National Education remained directly responsible for most management and financing of preschool, primary, secondary, and higher education; established official curriculum; and organized textbook production.[2] New electives were introduced into the high school curriculum, but schools still had little authority to make changes. The many new general legislative changes were poorly disseminated; the transition was and continues to be tumultuous. The legal framework for decentralizing decisionmaking—and particularly for community participation in education—remains very loose, fragmented, and contradictory.

The Romanian Parliament is again revising the education law. Today, compulsory basic education includes the first four grades of primary school and four years of lower secondary school (*gimnaziu*), grades five through eight. After the eighth grade, pupils take a compulsory final examination (*capacitate*) to go on to upper secondary education. Approximately 95 percent of students who complete the gymnasium continue into secondary schooling at four- and five-year academic high schools, four-year technical high schools with selective entrance exams and a baccalaureate upon graduation, or two- and three-year vocational schools. Academic high schools offer majors in mathematics, humanities, and languages, for example. An integrated school unit (*Grup Scolar*), a common cluster specializing in one or two technical areas such as textiles or industrial chemistry, provides technical, vocational and, on occasion, academic secondary schooling.

Current revisions include increasing compulsory education to grade nine, which would make the current structure nine plus three. The Ministry of National Education is also proposing new types of academic and vocational education. The new policy[3] seeks to restructure the educational system to meet economic, social, and political requirements. It touches upon the entire education system, its programs, actors, underlying philosophy, and educational governance. A strategic vision has now been forged to coordinate these far-reaching projects.

II. Actors and Functions: The Current Romanian Education System

The Ministry of Finance defines the education budget on the basis of proposals from the Ministry of National Education. After Parliament passes the national budget, the Ministry of Finance approves monthly credits to the Ministry of National Education on the basis of previous and anticipated expenditures and monitors annual spending to ensure a balanced budget. It is responsible for monitoring educational resource allocation and for collecting information concerning procedures for implementing central and local budgets. It works closely with the National Commission for Statistics on data collection methodology and practical administrative issues.

The Ministry of National Education has final authority for school governance and ensures general education administration. Sometimes it has to deal with decisions already taken by the Ministry of Finance, the Ministry of Labor and Social Protection, and the cabinet. The minister is assisted by a corps of advisers; the national councils; the Legal Adviser's Office; the Public Relations Office; the Control Office; and the Department of International Relations, with offices for international relations, European integration, and Romanians outside of Romania.

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[2] The Ministry of National Education names a commission and selects three textbooks per subject for compulsory education and an unlimited number of textbooks for the rest of pretertiary education from among which schools can choose.

[3] The most important lines of education policy are set out in Birzea (1993); World Bank (1994); the governing program chapter in *Renaissance of Romania Through Education* (1996); MNE (1998); and the educational policy papers of Andrei Marga, Romanian minister of Education (1998).

The ministry secretariat includes three secretaries of state who divide duties. The ministry establishes expert structures and relies on national consultative bodies. These include the National Council for Education Reform; the National Council for Academic Degrees, Diplomas, and Certificates; the National Higher Education Funding Council; the National Higher Education Research Council; the National Councils of Libraries; the National Councils of Rectors; the national scientific societies; and the national commissions specialized by fields, among others.

The wide-ranging Ministry of National Education functions cover all facets of systemic issues, from constructing schools to special-needs students, academic training and evaluation, personnel, research, libraries, reform strategies, and quality assessment. Beyond national borders, the Ministry of National Education establishes international agreements for Romanian students and for validating Romanian diplomas. For pretertiary education, the ministry establishes preparatory groups within preschool education to ensure continuity from preschool to primary school; approves schooling for nongraduates of compulsory eight-year education; and develops the methodology for the national examination at the end of compulsory education, for entrance examinations in postcompulsory education, and for the baccalaureate examination. It ratifies the creation of preuniversity education institutions other than compulsory and vocational education schools, establishes and names directors for secondary and postsecondary schools, and establishes enrollment limits and special classes.

School directors, or principals, assisted by deputy directors, manage pretertiary and vocational public education units together with the teachers' boards and the administrative councils that they chair and to which they report. They are appointed for four-year terms by the general school inspector on a competitive basis. Candidates must demonstrate some professional and management experience. The Ministry of National Education appoints high school and post-high-school directors based on the results of a competition organized by the school inspectorate.

Despite far-ranging responsibilities, a school director is simply a recognized teacher who continues to teach while being principal and is paid a supplement for temporary managerial tasks. Principals are not fully recognized as managers and do not consider themselves to be managers. The job is a step in the teaching career for which there is as yet neither initial training nor professional accreditation. New regulations are being prepared under which the director will become a regulated profession. The Statute of Teaching Staff, issued in 1995 by Parliament, defines the teaching as well as managerial duties of the staff. Directors represent the school to the local administration and local community; determine the use of school facilities, equipment, and other material resources; and coordinate all expenses. Directors adopt and apply provisions for financial and accounting regulations at the school unit level. They identify and monitor investments for school infrastructure, expenses, and annual maintenance; justify projects and submit them for approval to the school inspectorate and local and/or county councils; develop and apply strategies for raising extrabudgetary revenues; approve expenditures after an internal audit; implement financial procedures for purchasing goods and services; and involve the school unit in patrimonial activities with the chief accountant.

Directors coordinate and monitor activities for developing, upgrading, and maintaining school infrastructure. They establish contracts with designers and private and public companies for technical documentation and undertake capital and maintenance repairs. They are responsible for all personnel issues; they define staff duties, rights, salaries, and welfare allocations, and write contracts and job descriptions. In the teachers' board, directors evaluate teacher performance, design academic staff qualifications for merit increases, verify and sign payrolls, resolve staff issues, and apply curricular, finance, and management reform programs.

The deputy director sits on the administrative council and the teachers' board and chairs meetings in the absence of the director. The head teacher delegates curriculum management responsibilities, school unit branch supervision (such as primary education), or extracurricular activities coordination.

The teachers' board makes decisions concerning all teaching staff, including work plans, which teachers will participate in teacher training, validation of student grades and assessment, and career counseling. The board involves all teachers in its processes so that the teaching staff is actively involved in every pedagogical aspect of school unit activity. It advises and validates a director's decisions on curriculum, student relations, and academic staff development.

The administrative council is the highest school unit authority and includes at least 5, but no more than 11, members: the unit director, deputy directors, chief accountant, teachers elected by the teachers' board, parent representatives, and local public authority representatives. In secondary and postsecondary schools, the council should also include one or two pupils and representatives of the lessors of physical facilities for school activities. The administrative council manages the school; approves the operation plan; deals with all staff hiring and nominations and facility allocation; proposes enrollment quotas; oversees budget implementation; and generally attends to such details as the school calendar, student scholarships, textbook selection, and collective staff labor agreements.

The chief accountant plays a decisive executive role in financial oversight. The normative framework recommends that the administrative council ask for consultation on financial decisions, among others. If a school unit is poorly run, the chief accountant becomes responsible for decisions. The chief accountant represents the school unit and director in all negotiations outside the school, establishes quarterly and yearly plans for extrabudgetary revenues, follows up by establishing quarterly and yearly balance accounts, and analyzes financial activity during the meeting of the school unit governing bodies.

A budget center is responsible for the financial and accounting procedures of up to 15 schools. It is not a decisionmaking body but rather a conduit for money from the school inspectorate to the school units. Its structure is not legally regulated, thus giving the inspectorate some latitude for structuring the budget center depending on education level, location, and so forth. The numbers of budget centers differ by county, but skilled accountants staff each one.

The school inspectorate is a territorial Ministry of National Education administration for regional pretertiary education. The ministry officially names all inspectors and the professional development center director on the basis of a competitive assessment of professional and management competencies; in practice, however, candidate selections result from bargaining among local politicians. The general school inspector appoints school inspectors on the basis of a competitive assessment of professional and management competencies.

All school units depend on school inspectorates for extracurricular activities and auxiliary units for pretertiary education. A school inspectorate is headed by an administrative council, which includes the general school inspector, assistant general school inspectors, specialized inspectors, the professional development center director, and the school inspectorate legal advisor. Each inspectorate has an advisory board that includes school unit directors; prominent teaching staff; and representatives of parents, local administrative bodies, religious denominations, and economic agents.

School inspectorates are responsible for finance and operations of the pretertiary education network and inspect schools and teaching staff to ensure regulatory compliance. They establish public kindergartens, primary schools, middle schools, vocational schools, and apprenticeship schools; they ensure school attendance during compulsory education together with the local public authority bodies. The school inspectorate oversees the use, development, and protection of school facilities; ensures adequate staffing; organizes continuing education for academic staff; coordinates entrance and graduation exams; and monitors all privately funded preuniversity education activities and services to ensure legal compliance.

At the pretertiary level, the school inspectorate is largely responsible for inspections of curriculum, human resources, teacher performance, and financial resources. Inspections examine enrollment levels, the competency of teachers and directors, and how well the official curriculum is observed. School inspectorate budgetary responsibilities include approving expenditures from its own budget and from special budgetary sources; it also transfers funds to the budget centers. The school inspectorate is responsible for spending school unit allocations for capital expenditures, and its budget consists of allocations from the state budget as well as its own revenues.

The school inspectorate ensures that school units run smoothly at the pretertiary level. Local public authorities are responsible for the activities funded through state and local budgets and their own revenues. The school inspectorate establishes its own budgeting procedures and those for the institutions within its jurisdiction. The accounting department of the school inspectorate is responsible for activities related to school unit budget development, budgetary implementation, and opening and distributing credits, including financial and accounting reports and statements. Funds are made available through tertiary credit unit accounts at levels established by the budgetary law.

Local public authorities were created at the beginning of the public administration reform process. The administrative system is organized into 42 *judets* and 3 different types of local authorities, usually classified by number of inhabitants: communes of up to 5,000 inhabitants, towns of up to 20,000 inhabitants, and municipalities with over 20,000 inhabitants. All act as legal bodies with their own patrimony and can undertake administrative initiatives in the service of the public interest. Local councils act as deliberative bodies for communes and towns. Elected local administrations are responsible for implementing legislation in the most appropriate manner and are accountable to their local constituencies.

The largest local council is the General Council of Bucharest Municipality. It has created a Department of Education that makes technical recommendations to the local council, which uses financial resources provided by local public authorities. The department monitors funds allocated from the local budget and initiates and implements programs to develop education at the municipal level. The partnership between elected and appointed local authorities (local public authorities and school inspectorates) depends on personal contacts rather than on an efficient institutionalized structure (such as the Administrative Commission of the Prefecture, which the Education Commission organized by all county councils and by the majority of the local councils).

Teacher unions are nongovernmental organizations established by the 1991 law on syndicates to defend the economic, social, professional, and cultural rights of 200,000 members in more than 10 unions. This represents one-half of the nation's teaching and nonteaching staff. The Federation of National Education, the Federation of Free Syndicates in Education, and the National Federation of Independent Trade Unions "Spiru Haret" are the principal unions in Romanian preuniversity education.

Teachers' unions have no decisionmaking responsibilities but have created a wide local institutional network and play a consultative role to the administration. They are accredited observers of the decisionmaking process at central, regional, and local levels and try to influence the legislative process, policymaking, education management, and funding. They are on the periphery of the school system but have a major impact on implementing educational innovation through their programs for teacher advancement. Their marginality could allow them to link school and society and to facilitate the reform process; however, because unions concentrate on promoting teachers' economic well-being, they avoid responsibility for development and reform.

III. Distribution of Responsibilities

The educational reform establishes an institutional structure and distributes decisionmaking responsibility. It foresees that the current school inspectorate will focus entirely upon quality assurance and ensuring compliance with national guidelines and standards, making its reports public. *Judets* could establish an education department to run regional professional development centers as part of an independent local training and advisory system. School units are to be locally managed to meet local needs and would be required to define and publish their plans, worked out with the local administration and used as the basis of inspections. School units could comanage their own budgets with the local administration in view of short- and long-term goals; they could also be responsible for personnel and discretionary salary decisions aligned with local conditions and for building maintenance and training as needed. Where justified, the school unit could keep unspent funds beyond the current fiscal year. A school board, including parents, politicians, union representatives, business people and, where appropriate, religious representatives, would appoint a school principal and be responsible for strategic planning and management. Rural schools in particular would enjoy a new autonomy and be grouped around a pivot school to become an autonomous unit with a shared school council. This is the vision suggested by some of the authors of this study with reference to school board establishment.

School Infrastructure

Until 1999, there had been no systematic approach to planning the development of school networks at either the central or regional level. Schools do not manage their own funds for repairs or maintenance. Local authorities have great power in this area but do not want to be involved. This partnership is inefficient due to a lack of both efficient participatory structures and communication between actors.

The Ministry of National Education decides to build or rebuild schools. Construction costs are covered directly by the local budget. The allocation process is very complex and totally informal. It involves negotiation and influence-wielding among the Ministry of National Education, principals, the school inspectorate, local political elites, influential persons in the central government and local government, and so forth. Discussions or media scandals serve as public accountability mechanisms. These decisions are regionally implemented by choosing a builder and by monitoring construction.

The school inspectorate is responsible for administering school buildings and educational facilities in its area. Local public authorities are responsible for financing school maintenance and repair expenses out of the intergovernmental transfers they receive (mainly from the state budget) and from revenues collected locally.[4] In practice, different arrangements are observed. In some cases, the local council provides and directly administers funds, and it determines allocations for maintenance and repairs, estimates needs, bids for contracts, and makes payments. This is not consistent with the legal framework because the school inspectorate is generally responsible for these decisions. A second situation occasionally arises in which the local administration allows the school inspectorate to manage its maintenance and repair budgets. Here again, local public authorities are not performing their role. In other cases, the local public authorities and the school inspectorates create informal partnerships to make decisions on school infrastructure maintenance, depending on whether the local council has a specialized education department.

Personnel

The school inspectorate takes part in decisions on all personnel issues. In the area of salaries, decisions clearly remain central (primarily parliamentary). The education act, the teaching and managerial staff status act, the wage law, the general legal framework for labor and social protection in Romania, and the acts issued by the cabinet provide the legal framework for employees in the education system. This legal framework includes nine laws and a cabinet regulation. Salaries, professional paths, in-service training, organization, and evaluation are nationally regulated although school inspectorates and universities determine initial teacher training regionally.

Until 1999, school units were not allowed to develop their own human resource policies and had only limited authority or responsibility for personnel. The Ministry of National Education has recently issued an ordinance that allows the head teachers in school units to hire teaching staff if the head teachers have been qualified through an evaluation procedure run by the ministry. Local elected authorities have no power over education personnel. The teachers' unions try to influence personnel issues through the Ministry of National Education, even though the ministry is not the main decisionmaker in this area. School inspectorates can determine some part of discretionary teaching salary by supporting promotions ratified by the Ministry of National Education. They can also select no more than 4 percent of a region's teaching staff to receive a temporary 15 percent incremental increase to gross salary. School inspectorates evaluate schools but have no effective appraisal system for evaluating teachers, which makes the educational community suspicious of these decisions. School inspectorates are plagued by corruption. This is not surprising because a school inspector has no incentive to make a fair decision about human resources but has many incentives for abuse.

Teachers' boards participate in establishing annual teaching staff incentives using a point system based on teacher self-evaluations. These incentives, which total less than 10 percent of the school unit salary fund, are questioned by teachers who reject the appraisal system.

Curriculum

Working groups of three to five or more national experts are currently designing new course syllabi for the new curriculum and should finalize an annual course in three to four months, according to the basic curriculum methodology. For subjects or fields spanning several academic years, a working group can rework the curriculum from primary school, junior high school, or senior high school.

Three coordination commissions—for primary education, scientific subjects, and secondary instruction in the arts and humanities—advise working groups, facilitate their communication, and ensure the integration of new curricula. A commission reviews and modifies new curricula.

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[4] Many other direct expenditures on school units were to be supported from local budgets starting in 1999.

The National Council for Curriculum and Teacher Training, which has been set up through the Education Reform Project and is cofunded by the World Bank (the National Council for Curriculum since 1997), sits at the apex of this pyramid. It includes experts from the Institute of Education Sciences, high-level representatives from the Ministry of National Education, and academicians. It approves the new curricula, determines whether to transmit them to the education reform coordination unit, and initiates the alternative textbook publishing process. The council must define and revise the conceptual and methodological elements of the reform project and must manage crises or settle disputes that may arise in the process.

Until 1997, the curricular decisionmaking process lacked coherence. New syllabi were developed on the basis of the prior centralized curriculum framework, and ultimate decisionmaking power was not clearly delineated between the National Council for Curriculum and the national commissions for different subjects that, according to the 1995 education act, could approve syllabi and submit them for final approval to the Ministry of National Education. When in January 1998 the minister of education appointed a commission to define the curricular framework, the missing piece of the curriculum reform process was put in place. Ensuring that the new structures endure requires amending the education act. The new national curriculum should be based on a structural reform of curricular framework based on a new vision of the role of the school and of the players in an open society.

The national curriculum for primary and secondary education has been implemented since the fall of 1999. Beginning with the 1999–2000 school year, responsibility for making decisions on a third part of the curriculum that is delivered within schools resides with the teachers' board.

Textbooks and Materials

The formal and informal frameworks for responsibility at all educational levels for textbooks and materials show that, in theory, all levels of the education system are involved in the decisionmaking process. The Ministry of National Education makes decisions on and approves curricula that are the basis for new textbooks and materials. The ministry covers these costs and procures materials for general compulsory education. For noncompulsory education, the government and schools themselves, through their own or external sources, provide materials.

The ministerial Reform Project Coordination Unit, which administers funds from a World Bank loan, organizes the bid for alternative textbooks, and selects teachers for the assessment panel groups.[5] The Reform Project Coordination Unit will be replaced by a Ministry of National Education department at the end of the loan program.

Textbook selection is handled at the *judet* level, where teachers can choose from among the textbooks on display. However, information on alternative textbooks and materials is not well circulated, and there are no sensible deadlines for displaying books, collecting data, and sending orders to publishing houses. Although teachers and schools choose other materials, financial restrictions may confound orders, and, on occasion, school principals or inspectors may intervene.

The Ministry of National Education has recently issued an order to regulate provision of textbooks for high schools. This order has begun the transition to a free market for textbooks at this level.

Enrollment

The Ministry of National Education organizes the public education network and proposes student enrollment limits to the central government. It establishes enrollment quotas in consultation with all schools, responsible local authorities, and economic agents by centralizing school projections transmitted through regional school inspectorates. The education law establishes average, minimum, and maximum class and group sizes. The ministry approves exceptional enrollments for underpopulated rural regions and ensures education for ethnic minorities. High school enrollment decisions can be made on the basis of bargains with a school inspectorate or with principals to hire more teachers or, for some special classes, to make the school more attractive. As a general rule, proposals from the school inspectorates are approved by the

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[5] By 2000, 250 new textbooks are to be written. New textbooks for all subjects in grades one through seven have been published since 1996.

Ministry of National Education; the cabinet approves student enrollments as a total number for each level of education (primary, lower secondary, upper secondary, high school, vocational education, education for disabled students, and post-high school education).

School directors are responsible for verifying registrations. There are no legislative limits for school unit expansion if a school can accommodate more students in terms of space and number of staff. For first grade, schools make proposals based on estimated enrollments by evaluating proximate kindergarten enrollments. There are some difficulties regarding first grade enrollments in other than the most proximate schools. For other grades, a school usually maintains the same number of classes although enrollments can vary from year to year. Schools that work in shifts also have difficulties addressing revolving enrollment because they have no rules for it. If demand exceeds approved enrollment limits, the school usually finds ways to accommodate the overflow. Student transfers are made by a mutual agreement between two school units.

Quality Control

The education law makes the Ministry of National Education responsible for student assessment standards through the National Service on Assessment and Examination. Curricular standards have recently been introduced for primary and lower secondary education.

The Ministry of National Education, through the National Service on Assessment and Examination, determines how to assess student progress and defines the form and content of final exams. It also defines student graduation standards. The ministry determines how school inspections are carried out, and the *judet* plans them using a nationally defined assessment form. Disciplinary measures are regulated by internal regulations. Teachers can propose school disciplinary measures; these are then approved by the teachers' board.

Financial Administration and Control

Budget planning begins with budget centers and then moves to the *judet* inspectorate, the Ministry of National Education, and ultimately to the Ministry of Finance and parliamentary approval. Allocations follow the same trajectory in reverse. The highly centralized process is slow and complicated, and budget chapters and articles are rigid. Beginning with the 1999 budget, funds may be rerouted within budget lines, with the exception of staff and capital expenditures, which can be approved and modified only by budget law. For school maintenance, the budget cycle involves local councils, *judet*-wide financial directions (services), the Ministry of Finance, the cabinet, and parliament. Local public authorities have the greatest financial autonomy. School units are also funded by other sponsors and the parent committee that exists in every school unit.

Financial control involves several institutions: the court of auditors, the Internal Control Department of the Ministry of Finance, and the Ministry of National Education/*judet* inspectorate internal financial control. School units and budget centers have almost no financial autonomy, even if head teachers are ultimately accountable for their expenditures.

Vocational Education and Training

In the 1998–99 school year, approximately 20 percent of the schools in the Ministry of National Education network offered traditional vocational education and training (VET). Based on the Phare-VET RO 9405 reform program, new training is organized in the remaining network (the program started in 10 percent of the total number of VET schools and was gradually expanded to 20 percent). Some largely specific vocational training programs are funded by the ministries they serve. The military has specialized high school education, organized according to needs and hierarchy by the Ministries of National Defense, the Interior, and Justice, the Intelligence Service, and other institutions related to national security. Businesses and interested institutions finance postsecondary education upon request.

In 1994, the Ministry of National Education identified vocational training reform as a priority. It sought to create a flexible system responsive to labor market needs with regulated accreditation and certification. In addition, by integrating vocational training with the labor market, social partnerships could be forged although legal restrictions and incomplete decentralization block an open, flexible vocational education system.

The vocational education curriculum is developed based on training standards. These are developed with social partners based on inputs offered by the occupational standards elaborated according to the methodology approved by the Council of Occupational Standards and Assessment. The curriculum is organized on a multilevel approach and has a tree-like structure that ensures horizontal and vertical mobility for student interests and delays narrow specialization. Thirty percent of the curriculum is developed at the local level in partnership with business representatives; this enhances the relevance of vocational and technical education with regard to economic development needs. The law recommends consultation with parties interested in vocational training, but no mechanisms exist for forecasting medium- and long-term labor market needs.

Beginning with the 1997–98 school year, a new certification system was put in place for students who graduate from the new vocational and post-high school curricula. The philosophy behind that system is to seek the participation of employers in the final evaluation as well as the formal certification of achieved competencies.

Despite the government's declared intention, there is little suggestion that vocational training is organized according to a market analysis or based on the interests of graduates from compulsory education. Counseling and vocational guidance are just beginning. Vocational training results largely from trade union measures to provide teachers with some pedagogical norms, and the delays in economic restructuring have not enabled the system to meet a structured training needs demand. Therefore, expansion of Phare-VET program achievements is tremendously needed along with the related financial investment to reach the proposed learning environment standards.

Financing Public Education

The 1995 education law, completed and modified by Government Ordinance 36/1997, stipulates that the state budget cover public education expenditures for most budget lines.[6] Permanent competition for public funds has meant that education finance has come under scrutiny, particularly given the changing demand for education and the system's evolving relationship with public and private institutions, nongovernmental organizations, and local public authorities.

Three major changes in the education finance process have occurred since 1989. In 1991, the process became highly centralized at the level of the Ministry of National Education. In 1995, the decentralization process was begun, and some expenditures (such as school unit maintenance and repairs) were transferred to local public authorities. Finally, in 1999, additional expenditure responsibilities on pretertiary education were transferred to local public authorities. Thus, in addition to maintenance and repairs and other such expenses, local public authorities will now be financially responsible for investments, student scholarships, and other current expenditures. The Ministry of National Education will remain responsible for compensation of personnel, textbooks, scholarships for foreign students, compensations for student transportation, finance of international projects (such as the School Rehabilitation Project and the Social Development Fund), and all expenditures related to special education.

The budget law establishes the legislative framework of the education finance process and provides annual financial resources. The Ministry of National Education and the Ministry of Finance each negotiate a total budget and allocate funds to budget lines on the basis of student numbers, average teaching staff salary, equipment needs, scholarship students, and so forth. When ministerial proposals are different, the cabinet must break the deadlock before the budget is submitted to Parliament. The Ministry of National Education receives almost all of the money allocated to education from public funds.[7] The new legislative framework on local budgets established a new spending pattern by changing the structure of financing from public funds (see table 7.1). The state budget will remain the main source of funding with 61.5 percent of the expenditures, but the share of local public authorities will increase to about 24 percent of the total.

Expenditures are broken down on the basis of transfers to the school inspectorates for each of the two budget lines: current expenditures (compensation of teachers, expenditures for textbooks, and so forth) and capital expenditures. Funds may be rerouted within the current expenditure line, but the law does

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[6] A budget line (heading) groups the credits opened according to the budget law to cover the expenditure of a public institution (that is, ministry). The financial resources must have the same characteristics in terms of a fund's source and destination.

[7] The official figures are as follows: 99.2 percent in 1994, 98.4 percent in 1995, 96.9 percent in 1996, 96.5 percent in 1997, and 96.5 percent in 1998.

Table 7.1. Education Expenditures by Source, 1993–98

Total	1993	1994	1995	1996	1997	1998
As % of GDP	3.20	3.10	3.47	3.65	3.66	3.64
Source (%)						
State budget	96.1	96.7	82.6	82.0	79.7	81.6
Local budget	-	-	13.4	14.7	11.5	9.2
Other	3.9	3.3	4.0	3.3	8.8	9.2

GDP Gross domestic product.
Source: Ministry of Finance data.

not allow increasing the funds for salaries and investments. Savings are not encouraged. At the end of the fiscal year, unspent money is transferred to the state budget. School inspectorates collect revenues from sponsoring activities, donations, and third parties. In 1999, its own revenues were used to cover about 12.5 percent of the total funds allocated for education. The current financial system is plagued by a largely centralized decisionmaking process and allocation criteria. School unit needs go largely ignored by the central government, but there seem to be no clear-cut options for correcting this.

Local public authorities finance their contributions to education from intergovernmental transfers and local revenues. They receive the lion's share of their funds from state budget transfers.[8] In 1998, equalization transfers to local public authority budgets were based on total population (5 percent), street network length (5 percent), pretertiary school-age population (25 percent), and so forth. The spending pattern at the national level is almost the same in each region (that is, the local public authorities tend to spend about 10 percent of the revenues collected locally on education). The interest in education could be higher in some parts of the country, but this does not compensate for the lack of locally raised financial resources. There are no data to show that, when there is a shortage of resources from the central level, the local public authority will cover the deficit.

Regional policy has recently become a priority because regional disparities are more or less related to the political issues of public finance and intergovernmental transfers. The current system transfers money as a percentage of total local taxes, up to 50 percent of the amount transferred. This has primarily benefited the wealthy counties, but the system has become obsolete as populations become more mobile. A comparative analysis of local educational expenditures would reveal major discrepancies among regions depending on their economic development. Moreover, the current system for transferring money to the local public authority from the state budget seems to be affected by the transfer neutrality process.[9]

IV. Internal Contradictions

The Ad Hocracy: Many Rules, Poor Accountability

Until 1999, the institutional arrangements and poor managerial tools for education governance explain some of the system's inefficiency, lack of equity, and poor quality. Many contradictions emerge in the legislation or in efforts to implement education reform. Whereas the strictly centralized education system was shaken up in the early stages of the reform, the process remains unfinished and poorly coordinated. The Romanian school system resembles an "ad hocracy," with many formal regulations that are poorly coordinated, occasionally contradictory, often unclear, and therefore difficult to apply. The paradoxical result of a system with too many rules is that many participants (such as school inspectorates) act in an independent fashion, in the best of cases, according to their own interpretation of the rules.

The overburdened and excessively centralized system is overwhelmed with operational decisions and cannot focus on strategic planning and national policy issues. A single department manager from the Ministry of National Education runs a lower level staff too large for effective oversight. Internally, intricate, parallel, and overlapping responsibilities among its boards lead to endlessly contradictory information. This is further aggravated by the almost complete separation of responsibilities for pretertiary and university education. Furthermore, the hierarchical and territorial organization of education management obliterates communication channels within the education system. There are no institutional consulting mechanisms for public and private education. The Ministry of National Education has not yet managed to ground the consulting process among concerned parties or to mobilize available know-how.

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[8] In 1998, transfers to local budgets represented 37 percent of all salary taxes collected.

[9] A transfer neutrality process is the return to the local public authority budget of a portion of collected revenues, independent of what they collect from income and other taxes. For example, in 1998, Bucharest alone received almost 20 percent of the money transferred to the state budget from salary tax compared to the national average of approximately 10 percent.

Poor relations among the ministries also thwart the reform process. Strategies among ministries or with central agencies are not coordinated. For example, the Ministry of National Education defers to the Ministry of Finance and the Ministry of Labor and Social Protection on teacher employment and salary norms and merely implements their decisions. How can too much poorly coordinated legislation and ineffective central power be transferred to obviously unprepared subnational governments, particularly when there are too many rules with too little cohesion among them?

The system is supposed to rely on central evaluation and control as the main accountability mechanism, but no standardized reporting, performance grading, data analysis, or feedback procedures exist to make it happen. How, then, can the Ministry of National Education make objective evaluations? The central administration answers to citizens through parliamentary and media control in the rare moments when education comes into the public limelight. However, given that inspection reports and academic performance results are confidential, there can be little public scrutiny of school performance.

Departments and government organizations tend to work in isolation, with little will to cooperate, little know-how, and no accountability mechanisms. Responsibilities are often spread out among several administrative levels; school inspectorates, professional development centers, and universities all make decisions about innovation or teacher upgrading. School inspectorates and local governance cooperate on school maintenance and construction, but this partnership is dysfunctional, even on the rare occasions when political controversy and personal rivalries are tempered. Partnerships depend exclusively on personal relationships. School personnel generally take a dim view of the involvement of local authorities in education. They feel the authorities should attend to water, roads, and sanitation problems, which they deem more important. The only partnership between appointed education authorities, local authorities, and social partners has been established by the European Union Program for Technical and Professional Education Reform.

Given this control vacuum, school inspectorates have become the most powerful institutions in the system. Inspectors are appointed by the Ministry of National Education, and local political leaders can influence some appointments on the basis of cronyism. School inspection missions, objectives, and routines are regulated in a general and inconsistent way, but inspectors set their own rules. Inspections are therefore subjective and arbitrary and are usually provoked by teachers' complaints about a principal or by an administrative vendetta against a teacher. The absence of local external accountability mechanisms together with barely functional vertical reporting to the ministry further strengthen the power of the inspectors.

The school inspectorate is responsible for school assessment, administration, and budget and has recently been made responsible for some teacher promotions. There is a conflict of interest because school inspectorates run hundreds of schools and must also assess their own management. In addition to communication problems and the lack of will to change, the inspectorate is an apathetic bureaucratic organization resistant to innovative changes that would reduce its power. Today, annual inspectorate reports to local authorities go unquestioned.

Locally, there is little accountability to those who are supposed to benefit from education. Local governance is held financially responsible by the court of auditors and the Ministry of Finance and politically responsible by the community (the voters); however, citizens are only theoretically in control of education management. A teachers' board, which includes all the teachers from a school unit, does not really participate in school management and cannot exercise its decisionmaking powers. Unbalanced leadership structures promote authoritarian management, isolate school management, and hinder accountability mechanisms. School principals are not required to report to the administrative council, whose meetings have no appeal to teachers or to local authorities. If parents generally heed teachers, it is because they do not see themselves as clients purchasing services offered by schools and as therefore entitled to quality. Teachers perceive parental criticism as an abusive intrusion.

School ownership creates further accountability problems. School employees see themselves as school owners. Teachers' interests prevail over those of students and influence curriculum and education financing and management. More than 85 percent of the education budget is allocated to salaries as a result of the vacuum in lateral reporting, the absence of external accountability mechanisms, and the strong trade unions.

There are no incentives for improving performance or educational efficiency. School inspectorates are too burdened by administrative responsibilities to focus on education quality. Attaining or maintaining quality brings no financial reward or prestige. In fact, academic results and management performance reports are kept confidential by the school inspectorate and the Ministry of National Education. An inspector can earn more from manipulating a school rebuilding service auction than from developing a better school curriculum; job security depends upon personal political contacts. Schools have no effective performance evaluation systems to reward improved learning outcomes or to help assess or improve teacher performance. Teachers are not rewarded for participating in management. As long as incentives and opportunities remain nonexistent, teachers and administrators alike will be affected very little by decentralization.

A Culture Resistant to Change?

The decentralization of educational services is based on a system of shared responsibilities, a participatory decisionmaking process, and very intense vertical and lateral communication within the educational administration or with actors outside the administration. Decentralization has been highly debated for about eight years, but there is little progress to show for it. A very strong paternalist tradition reflected in social and organizational habits discourages the public from becoming involved in public service governance. Can the devolution of power to local communities go forward without a change in this cultural legacy?

People in the education sector discuss the necessity of decentralization and proclaim their determination to promote more decentralized intergovernmental roles. They complain about having too little power to run their schools, but local administrators are reluctant to accept much more decisionmaking power. When the Ministry of National Education announced its intention to give schools control over curriculum, admission procedures, personnel, and budget, many stakeholders in the school system opposed these changes.

The gap between official rhetoric and practice reflects the ambivalence toward the Law of Local Public Finance and of Local Patrimony, or the Local Public Authority Law redefining local governance involvement in education management. In a decade of effort, neither Parliament nor, until the appointment of the new minister of education, the National Education Ministry Board have managed to define the reform's legal framework by adopting coherent legal strategies to truly decentralize education.

School rhetoric displays the same demagoguery. Teaching staff express the need for greater autonomy and want school boards to be able to employ the teachers they choose, establish flexible teaching obligations, and apply disciplinary sanctions. They also request greater financial and curricular autonomy. However, it is difficult to evaluate how much teachers or principals believe in their own statements and how much responsibility they would truly accept. The Statute on Teaching Staff, for example, has blocked institutions from accommodating shifting enrollments and revenues. Statute provisions on teacher mobility need revision, and performance wage innovations need to be implemented.

Changes in the power structure during the decentralization process are revealing. The Ministry of National Education recently announced three changes implying a transfer of responsibility to school units. In some representative school units, the academic boards would employ teaching staff and directly administer some expenditures. Beginning with the 1999–2000 school year, all school units are supposed to design up to 30 percent of the curriculum, the so-called local school curriculum. The institutional arrangement at national, regional, and local levels is being restructured. New roles are being defined, and the distribution of responsibilities and authority will be handled accordingly. It is planned to have the new institutional arrangement in place in the 1999–2000 school year. After the Ministry of National Education managerial team was confronted with these changes, many respondents discovered disadvantages rather than advantages and emphasized the difficulties of reform. The costs of decentralization weigh more heavily than the benefits in their eyes.

Remaining Gaps: Training and Educational Equity

Another stumbling block to the reform process is the dearth of appropriately trained staff. Training is needed at all levels, from teachers to principals to budget centers, school councils, and ministerial offices, to introduce norms and values associated with educational leadership and to provide essential skills such as planning, evaluation, and decisionmaking. Private providers could train teachers and principals and could offer professional development in regional centers. The Ministry of National Education would have to rebuild its training and support capacity during the reform period and provide sustainable levels of national resources for improving the quality of education, and management in particular.

Those who favor centralization argue that decentralization would increase disparities among schools and regions and would therefore affect educational opportunity. Many studies point to greatly deteriorated equity due to devolution policies in developing countries. In Romania, however, under centralized educational administration, more than half of all schools (mainly in rural areas) provide no basic instruction because they lack basic teaching resources. Like all centralized educational organizations, individual special needs go unmet. There are no specific programs for addressing underserved areas or for gifted or poor students. The system tends to differentiate rather than level instruction on the basis of social and intellectual background. At the same time, principals and teachers are generally unhappy about having recently been made responsible for administering state-allocated funds to support children of impoverished families. They consider this responsibility to be incompatible with their professional status. Teachers have no incentive for working with difficult students in substandard schools.

The school inspectorate does not help resolve local unequal access or to develop programs for needy schools. Some school inspectorates do not try to give schools in impoverished areas more support. To the contrary, the conservative school inspectorate tends to multiply local disparities by assigning more money to affluent schools because the inspectorate has a special relationship with their managers.

The system of private tutoring for wealthy children is one of the most obvious threats to educational equity because the children of needy families have little chance of attending the best high schools or universities. No mechanisms exist to ensure equity, and there are few incentives to promote it.

V. Many Problems, Few Solutions: Suggestions for Reforms

Although policymakers and experts must resolve many problems, there are a limited range of solutions, implementation resources, and time. The following strategic package of governance reform options aims at improving the effectiveness of education services while remaining compatible with stakeholders' visions for change.

All changes should be relevant, sustainable, able to be integrated into current school practices, and implementable for the medium and long term. They should successfully resolve most of the contradictions; be effective for education quality, efficiency, and equity; and have the ability to handle change. Transforming intergovernmental roles in education should focus on four issues; these are partially under way as of 1999.

First, power should be transferred from the central administration and regional offices to governing bodies in individual schools. A possible solution suggested by some of the authors of this study is to refer to the individual schools enrolling more than 1,000 students in urban areas or clusters of schools, especially in rural areas. This kind of managerial consortium allows a more school-based educational governance while reducing the risk of decentralizing decisionmaking to small or medium-sized schools that are still unable to manage themselves. Setting up school councils as core governance units would not exclude local public authority involvement. The school councils would institutionalize education partnerships between schools, local public authorities, and other stakeholders. Regardless of the ultimate institutional arrangement, all the authors strongly believe that local authorities must deliver educational service from within educational communities. Romanian local public authorities have long been unprepared and unmotivated to take local school systems under their jurisdiction.

Second, it is possible to retain as much authority and responsibility as possible for managerial functions within the central government. Underlying this conservative approach is the belief that decentralization must not be a goal in itself. Devolving power has to be a means to increase quality, equity, and efficiency to deal with educational innovations and reforms. Consequently, it must go beyond political disputes and intellectual fashions. The central government must ensure quality and equity. Keeping the Ministry of National Education or its regional offices central in certain areas is a pragmatic approach to education reform.

Third, rebuilding the regional institutional network for managerial and pedagogic support, professional guidance, advisory services, and training for teachers and school managers reflects one of the current strengths of the school system that future reforms must consider. Restructuring the school inspectorate would mean canceling current administrative responsibilities and strengthening its capacity to monitor education quality and to provide technical assistance. School autonomy needs sufficient support. Improved institutional capacity to deliver this support should include regional Ministry of National Education or national agency centers and private and nongovernmental training and providers of consulting services.

Fourth, developing staff and improving managerial systems would help make school management more professional. Redesigning lines of authority and accountability or reviewing responsibilities requires developing instruments for improved governance. Individuals and institutions need new skills, new managerial instruments, and a new organizational culture to perform their duties in the best way possible.

Decentralization: One Ingredient

This study strongly urges going beyond the governmental pattern of deconcentration or administrative decentralization. This option, implemented since 1990 as regional power was extended to school inspectorates, is largely responsible for the current governance problems in the school system. Indeed, the power of the school inspectorate is one of the most damaging contradictions in the governance of public education, along with the vacuum of public accountability and the gap between local authority and responsibility. The marginal involvement of local elected administrations with education is due to a lack of means to stimulate, sanction, or control appointed inspectors. Partial decentralization has dispersed responsibilities to regional Ministry of National Education offices or to school managers but has not simultaneously transferred authority or realigned accountability lines. It has created a chasm between responsibility, authority, and accountability. Educational management and finance will only change if power is transferred from the central state to other public bodies that are more accountable to the public, more motivated, and better able to make decisions that satisfy national objectives, students, families, and local communities.

The current centralized education structures in Romania must change, but decentralization is only one, albeit the most important, ingredient in a viable policy agenda. It is not a panacea for deficiencies in governance. The central administration must focus on strategic decisions by resolving local problems at the local level. The decisionmaking site and the area in which decisions are implemented need to be more proximate, and information must be accessible to administrators and teachers alike. Schools within a school unit must communicate and cooperate more effectively, must adopt new teaching and curricular innovations, and must be made responsible for managing their scarce financial resources more efficiently. Operational costs can be reduced by cutting central administrative staff. External financial resources must be mobilized, and partnerships must be developed between schools and communities so that schools interact more effectively with their social, cultural, political, and economic environment. The main clients of educational services must be more involved in decisionmaking. Education quality must be improved by diversifying supply and making it compatible with local needs. All parties need to be motivated. The transition from administrative to political decentralization will pose a choice: school-based management or devolution to local authorities. Who must be responsible for prior state responsibilities, the local government or the governing body established at the school level?

Devolution is radical decentralization. In this model, local public authorities can make and implement decisions. This means transferring power to subnational political institutions that sit above the local level. Delegation, by contrast, confers local, regional, or central governments (other than elected subnational public authorities) with the power to act as agents for the central government and to carry out specific functions on its behalf. The central government maintains control and can withdraw delegated power if these bodies do not meet national established requirements.

Those who argue for devolution are primarily motivated by political considerations. However, the objective of reorganizing educational governance is to improve educational quality. This is a national, rather than a local, problem and must not be assessed from a local point of view. The main criterion for evaluating decentralization is how well it serves national objectives. Delegation would transfer government tasks and functions to publicly funded autonomous organizations (school councils and national or regional agencies) that would ultimately be accountable to the central government.

This chapter favors the delegation model. Empowering the local public authority to organize public education implies costs that might exceed expected educational and economic benefits of decentralization and important risks that could imperil decentralization policies. No political or sociological studies suggest that the fundamental conditions for devolution or the basic requirements for improving quality and efficiency in education exist in today's Romania.

Many independent evaluations express serious doubts about whether local public authorities can manage education services effectively. In countries where regional and local governments have virtually no administrative ability, there is little likelihood of achieving any of the positive outcomes of devolution, such as improving cost efficiency and accountability or mobilizing more resources. Decentralizing the government structure can take a few months or years; improving institutional capacity takes far more time and resources.

Smooth devolution also requires a positive public attitude toward such processes. Local public authority involvement in the provision of public services is distinctly unpopular at the grassroots level. A public opinion poll conducted five years ago by the Institute of Educational Sciences showed that just a tiny minority of teachers and head teachers agreed with increasing local involvement in education. The teaching staff in Romanian orphanages, which have come under local administrative authority since 1996, refused to relinquish their status as employees of the central state. Only 30 percent of voters voted in the recent elections for the general mayor of Bucharest. Such absenteeism proves that the public continues to view centralization as an alternative and that it values neither the election of local and regional officials sufficiently nor the possibility of public surveillance of local authorities. There is no local pressure for devolution. Local elites have coexisted with the centralist order, and transferring authority for education would be doing them an unwanted favor. The pressure for devolution comes from national politicians or researchers rather than from the heads of local communities.

Local and central cultural conservatism are therefore among the greatest obstacles to efficient devolution and can be attributed to Romanian civic and political culture. There is no local tradition of civic culture, whereas informal civic institutions, trust in fellow citizens, respect for local government, engagement in public issues, and solidarity are very important. Local communities have lost their sense of autonomy, the tradition of self-reliance, and the spirit of competition that they had prior to Communist rule. They have adopted the centralist organization in which communication and power structures are vertical and hierarchical. Long-standing attitudes are hard to break. Local dependence on central government for resources and ideas does not dovetail with the central administration's tradition of monopolizing resources and initiatives.

Devolution requires that local governments or communities have their own sources of tax revenues and voluntary contributions and can administer them efficiently. Devolving power to local governments without these necessary financial conditions risks having them undertake responsibility for delivering public services without appropriate funding. Devolution will require increased transfers from the central government. Even though the new Local Public Finance Law allows local public authorities to collect and administer locally 50 percent of the revenue from the salary tax, some of them raise only negligible revenues from this tax.

No relevant studies on decentralization costs have been undertaken in Romania. Besides, none of the impact studies or evaluations of devolution policies in developing or industrial countries of the last decade provide any evidence for gains in educational effectiveness or efficiency. These studies do prove a decline of equal educational opportunity because of regional economic disparities. It is not at all certain that empowering local administrators to govern education makes education more efficient or more effective, whereas the national school system clearly does not become more equitable for disadvantaged populations.

The expectation is that devolution would make local education systems more accountable and responsive to local communities. However, it may not increase participation because local authorities might not be the most appropriate institutional facilitators for local involvement with schools. In Romania, citizens and subnational governments do not communicate. Even if locally elected authorities were to truly represent their electorates, it may not be appropriate for local voters, especially when poorly educated, to select curriculum and to set accreditation standards. When local authorities do make educational spending decisions, they ignore overall educational benefits and spend too little. Local politicians increase the bureaucracy or fund programs that bring them votes rather than take the long-term view, which can worsen the financial situation of the school system. Denationalizing school buildings would motivate local authorities to repair and rebuild them, but might also change the function of current school infrastructure. Furthermore, the benefits of educational services are not limited to regions or local areas, another argument for central government involvement.

School councils or similar alternative managerial arrangements should be accountable to the government and to the public for providing government-funded services. Decentralization will only improve quality and efficiency if there is accountability to the public for student achievement, needs assessment, budget management, and staffing policies.

Public Corporations: Self-Governance of Educational Communities

This chapter proposes that the Romanian state delegate its power and funds to public corporations, or school councils, that would govern a number of clustered school units.[10] A school council would be an agent of central and local authorities, which would devolve money and authority to it. Local public authorities and school inspectorates would coordinate school associations and make them into viable managerial consortia. School councils would be responsible to local authorities, the Ministry of National Education, the local community, and parents. They would be held accountable through public progress reports, regional school inspectorate evaluations, and national tests. The school council would contract with the Ministry of National Education to be autonomous and to use the rights and funds delegated to it.

Democratically elected school councils must be responsible for most managerial school-level functions. Such radical restructuring would require clustering schools under school council control. A school council would be a registered corporate body with its own bank account and an elected chairman and vice-chairman; it would employ a technical staff. School councils would determine school goals and policies and would improve standards. They would run schools, allocate budgets, hire and manage principals and teaching staff, and be the intermediary between schools and the community although school heads would manage daily school operations and would consult with the school council for general guidance. School directors would continue to have managerial duties, but the school council would be responsible for seeing that the schools under its authority ran effectively and legally, respecting national and regional education policies. After inspection procedures run by the school inspectorate, the school council would establish and implement an action plan. A school unit executive manager would be responsible for the first stages of disciplinary action; appoint, appraise, and monitor teaching and nonteaching staff; propose incentives; plan and execute school budgets; determine school maintenance; work with other heads; and seek advice from the academic boards in curricular or pedagogical matters.

A school council would include parents, local authorities, teachers, and students when a high proportion of high school students are registered under council authority. It would also include head teachers in associated schools, members from the local business community chosen by parents, local authorities, teachers, students, cultural institutions, universities, foundations, churches, and nongovernmental organizations. The council as a whole, rather than individual members, would be responsible for actions and decisions; individual members would be appointed or elected although not as any group's delegates. School councils would help schools provide the best possible education and would be responsible for ensuring high quality in subordinate schools where head teachers and staff would report on their performance. Council composition should strengthen professional control to make better use of teachers' knowledge and to increase overall accountability to parents and the community at large.

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[10] Some of the authors do not agree with the idea of clustering medium-sized and small school units. A recent notification issued by the ministry suggested an alternative solution based on the opposite strategy of abolishing budget centers and giving each school unit the power to manage its own budget autonomously.

Under this system, government micromanagement of education financing would be limited. School budget management would devolve to the schools themselves. The school council budget would be the aggregate of allocations for salaries and operations and would be determined by a fair formula. Formula funding is based on objectively measured needs rather than on past spending patterns and helps ensure equitable resource allocation among schools. More than 90 percent of a school's recurrent budget must be directed to the school for salary and operating costs, calculated on per capita funding. The school council would determine school policies and would manage school funds, would be responsible for allocating funds for operations and salaries, and would have the flexibility to allocate resources on the basis of local needs. A specialized school council office would ensure school financial management, and a technical staff would undertake accounting procedures and routine financial management. The school council would be responsible for strategic plans, overall financial policies, budget, routine financial management, and monitoring. Each budget center would become a school council financial department. Implementing a global school budget would be a move toward student-based funding and away from a system of separate resources.

After school councils chart their educational goals, they would create an action plan and produce an annual report outlining school progress and the use of taxpayers' money. Council members would remain accountable to the community and to the central government. New intergovernmental arrangements should ensure improved external control aimed at increasing accountability to the central administration for the efficient use of resources.

Curricular and instructional authority would be vested in schools where teachers, principal, parents, community members, and students would work together to develop a challenging curriculum based on high standards rather than a strictly national, centrally determined curriculum. Converging competencies within a school council might produce better local curricula. The school council would develop and approve a local curriculum consonant with national guidelines. Schools would encourage teachers to explore new assessment methods and curricular guidelines and to adapt courses to student interests. To support these innovations and to improve teaching and learning, the school day and week would be reorganized to give teachers time for planning and peer discussion sessions. Heads would determine, and the school council would approve and monitor, the organization of teachers' time and would assess the results based on information supplied by head teachers.

School staff, parents, and community representatives would be responsible for personnel. The school council would hire a principal every four years; sign a contract; carry out an annual evaluation; and recruit, train, elect, assign, assess, and promote staff. It would be responsible for a staff development policy because funds for professional development would be concentrated at the school level to be spent on a discretionary basis to improve teaching and teacher training. Teachers' unions would negotiate master contracts with a wide range of options for individual schools. School heads would define disciplinary policy, but the school council would approve it. Head teachers would deploy staff to professional duties. Setting responsibilities closer to the school would make personnel policy more relevant for student learning needs and would enable school managers to motivate staff.

School councils would have the discretion to maintain and construct school buildings to be used in innovative and community-oriented ways; the councils would select maintenance and repair providers. Schools would be free to contract for all types of services and purchasing and would purchase services in clusters to use resources to best advantage. Schools would formulate and school councils would approve student behavior standards, but only the head teacher would be authorized to suspend a pupil; the school council would decide appeals and could require readmission. The school council would also request information from head teachers on any matter relating to school management.

Organizing and managing schools with about 2,500 students and 100 teachers in clusters would reduce some of the major costs of decentralization and would improve school management. Merging expertise could compensate for the lack of managerial competence so often cited as the main obstacle to decentralization. The current lack of adequately qualified financial staff in the approximately 30,000 school units forces each budget center to handle, on average, 30 to 40 schools. A school council could rely on the accounting personnel in budget centers, and the central government could thus avoid two budgets per school unit and could eliminate the need for 20,000 qualified school accountants. Devolving money toward school clusters rather than individual schools makes economically nonviable schools (usually small rural ones) less likely to survive. Subsidizing small schools is a major source of inefficiency in the educational system. School councils could deal locally with closing such schools.

The Ministry of National Education has announced, but has not yet implemented, a series of measures to bring the school system closer to a school-based management model. This model would give school management new responsibilities and greater authority to develop local curriculum, administer the school budget with greater flexibility, select in-service training and other service providers, manage school building repairs and maintenance, hire heads for the best high schools, implement educational innovations, and develop educational partnerships.

There are two risks to school-based management from the point of view of local authorities. First, there is no advantage to being a member of a participatory body in a small or medium-sized individual school, and local authorities have too few incentives to become involved in very small schools. Second, a local public authority in a large municipality cannot designate a minimum of one representative for every school unit under its jurisdiction. Local interests and educational demand cannot be specified for a single school unit, whereas they could be for a cluster of schools covering a broader geographic area. From that perspective, the local public authorities tend to perceive many more advantages by participating in a decisionmaking body (that is, school council and/or administrative council) set up for clusters of schools. Establishing participatory bodies for tens of thousands of individual schools, however, does not encourage local and professional interest in schools, whereas this should be the primary benefit of decentralization emphasizing local control for local needs.

Lastly, establishing school councils as managerial consortia for geographically proximate schools resembles the situation that existed in the Romanian school system between 1980 and 1989. During that time, clusters of schools, mainly in rural areas, were unified under a single management unit that included representatives of local authorities and businesses. Totalitarianism had disastrous consequences, whereas democratization could maximize benefits.

The Regional Level: Quality Assurance and Support Institutions

Delegation requires schools to be self-governing with no intermediary bodies between school councils and the Ministry of National Education. Successful decentralization, however, requires vertical links or mechanisms so that the central government continues to control and support the decentralized entity. Regional-level governance ensures an appropriate inspection, advisory, and training infrastructure to help schools improve educational quality and operational efficiency. Effective decentralization therefore involves strengthening governmental territorial agencies and reorienting them. In a decentralized educational system, the Ministry of National Education facilitates management through its territorial offices; schools would have budgets for outside consultants and would freely select nongovernmental or private sources. If regional Ministry of National Education resource centers can effectively sell their services to the payers, the school councils, they should be kept.

The main challenge of the reform may be to redefine the role of school inspectorates. The central government must define and implement standardized inspection indicators and procedures to ensure comparability among schools and must use new information tools for public evaluations of education programs and institutions. School inspectorate administrative functions would devolve to the school, but they would continue to be responsible for teacher training, educational development and innovation, and advisory school services. *Judet* inspectorates should no longer manage schools because their involvement in finance and management biases them and undermines accountability and evaluation objectivity. The school inspectorate would only evaluate the quality of education against a normative framework, goals, performance indicators, and precise standards. Regional inspectors would be responsible to the Ministry of National Education and would be supervised by the General

Directorate for Education Quality in verifying the implementation of education laws and regulations and overall inspection standards.

A new inspection model would define the types and forms of inspection, their timing, and their methodology and would include standardized inspection forms. National curricular standards would be a fundamental prerequisite for autonomy. Inspections would use published criteria, made freely available to parents and schools in published reports leading to action plans.

Inspections would determine whether national curriculum is being implemented and whether a local curriculum meets local needs. They would ensure that national standards for educational facilities, finance, assessment, management, and community relations are met. They would appraise pedagogical quality and assess student achievement and would consult with parents and the community to see whether the school is providing appropriate services. The school inspectorate would evaluate overall school unit management; its use of human, physical, information, and financial resources; and school council appraisal systems and procedures.

The primary goal in the reform of the inspectorate would be to go from appraising individual teachers to evaluating institutions and processes, identifying strengths and weaknesses so that schools could improve the service they provide and could raise student achievement levels. The inspection process and reports would determine a school council's strategy by providing a rigorous external evaluation and by identifying key issues for action. Inspection findings would also provide a basis for the national school evaluation and the annual report of the minister, by recommending special measures for the Ministry of National Education to take in school administration or by offering support for a school that fails to provide an acceptable standard of education.

This chapter suggests creating a regional department for education that would be subordinate to the regional local council to handle the financing of school maintenance and repair. The regional local council would channel funds into budgets administered by the school councils. However, widening the authority and responsibilities of local public authorities to cover personnel functions or to direct professional development centers is not a functional reform in our context. These kinds of responsibilities must be transferred to local public bodies able and willing to fulfill them. It is preferable to delegate power to school councils.

Modernizing Managerial Systems and Procedures

Devolving the education budget to more than 2,500 school councils depends on the ability of the Ministry of National Education to calculate the funding for each school council and the ability of the banking system to electronically transfer funds to school council accounts. The Ministry of National Education would have to design a budgetary formula based on per capita student allocations, average staff salaries, school capacity, and area and would have to vary it according to specific regional needs and weighting factors. This formula would be reviewed and modified on an annual basis.

The Working Contracts at National Level that embarrass local managers have to be revised in order to make them more flexible. The Statute on Teaching Staff has made it more difficult to administer the system efficiently because it is virtually impossible for institutions to modify their teaching staff when enrollment patterns and revenues change. Statute provisions must be more flexible regarding teacher mobility and must introduce innovations that link remuneration and performance.

A school performance evaluation system is needed to assess students and to establish incentives and premiums to teaching teams that show improved learning outcomes. An education information management system should cover internal school performance indicators, interschool performance indicators for *judet*, local and national information for planning, and data relevant to decisionmaking at the local and national levels. All schools should have an effective system for managing school performance, including student results. For management systems to be effective, there must be performance standards and evaluation criteria. Staff roles and responsibilities must be defined on the basis of a school development plan that clearly defines the school's objectives and the criteria for measuring success in meeting these objectives. This implies an appraisal system applied to all schools.

To improve teacher competence and student achievement, teachers and head teachers must set personal goals that would be integrated with other school improvement efforts. Teachers' professional development needs to be addressed more consistently and systematically. The central administration needs national funding standards for the school system and indicators for measuring its overall efficiency.

Legislative guides are needed to eliminate the discrepancy between administrative practices and the legal framework and to implement the new formal rules. The legal framework needs to be harmonized to ensure its compatibility with local interpretations. The duties of the school council and the regulations governing its relationship with heads and regional and central administration need to be clearly defined. Examples of good practice should also be included.

Reformers must help develop individual managerial autonomy so that structures work. Senior managers would continue to decide on school-level issues, and subordinate staff would ask for assistance from superiors. The transition from a bureaucratic culture to one that encourages people to take risks in order to get the best results is a singularly important challenge.

Beyond legislation, the issue of institutional capacity looms large. Successful decentralization requires creating the conditions that promote it and the expertise that allows it to function.

The Role of the Center

In summary, the authors conceive of an institutional reform in which centralization and decentralization are not mutually exclusive. A system of centralized guidance and local initiative can be envisioned wherein schools are not entirely autonomous, but the state does not exercise total control. The balance of national standards and diversity would ensure high standards, support meaningful assessments, allow for curricular and pedagogical variety, and promote collaboration and development among teaching staff.

A central curriculum and administrative guidance is compatible with school-site management. Decentralization paradoxically requires more central government and more sophisticated national political skills. Although there is some evidence that school autonomy could increase cost efficiency by requiring fewer teachers, less bureaucracy, and lower per pupil expenditure, no data prove that increased effectiveness, as expressed by academic achievement, would ensue. Reforms must therefore enhance the role of the central administration in quality assurance and equity enhancement.

The reform of educational finance and management seeks to delegate the Ministry of National Education's current responsibilities for daily administration and curriculum and to recast the ministry as an institution for national strategy and standards. It would retain overall responsibility for funding and the allocation of funds to school councils, which would be subordinate to its budgetary controls according to a national, enrollment-based formula; it would also be responsible for technical services, monitoring, and quality control, in addition to its role as powerful policymaker.

The Ministry of National Education would develop a system of indicators for individual schools and school inspectorates to measure, monitor, and compare performance and would assist them by creating broad student achievement standards and by providing the needed resources to help schools meet these standards. It would also directly intervene in the school system, encourage a school culture of self-assessment and review, assume distant but necessary school oversight, and monitor educational progress at the territorial or other levels by conducting standardized tests. It would have final authority and responsibility for taking action where schools fail to provide standard education or equitable opportunities for quality education and would take affirmative action through special investments and upgrading programs.

Central institutions were organized to carry out administrative functions in a central command-based educational system. This differs from a decentralized system. Therefore, as the Ministry of National Education is reorganized, what needs to be borne in mind is the clear definition of decisionmaking responsibilities and the areas in which they are exercised, separating political and technical spheres of central administration and eliminating the overlap between school management and functional departments. The General Directorate for pretertiary education and its preschool, primary, and secondary education divisions would be eliminated, and new, specific, systemwide managerial functions would be defined.

Independent agencies would become responsible for developing and administering national exams and tests. New Ministry of National Education departments and institutions would support the strategic reform priorities of school governance. Some of these units are consistent with the most recent decisions of the minister of education. These decisions have established the National Center for the Development of Vocational Education, the National Services for Assessment and Exams, and autonomous centers for teacher training, curriculum development, and so forth. Some proposed departments or agencies already exist, but their competencies need revision or expansion.

Implementing reform means more than transmitting papers from the Ministry of National Education to the school inspectorates. It requires specialists with more than administrative competencies. The central administration must increase its ability to manage educational reforms to reduce the gap between intention and achievement. Therefore, the authors of this study fully uphold the recent support actions put in place by the ministry to achieve reform objectives at the school level. Implementing these changes will require significant efforts that will not be possible without the commitment of motivated teachers and specialists.

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